











THE  
CO-OPERATIVE MOVEMENT  
TO-DAY

BY THE SAME AUTHOR

THE HISTORY OF CO-OPERATION  
IN ENGLAND

THE ROCHDALE PIONEERS

SELF-HELP ONE HUNDRED YEARS  
AGO

THE JUBILEE HISTORY OF THE  
LEEDS SOCIETY. 1897

THE JUBILEE HISTORY OF THE  
DERBY SOCIETY. 1900

BYGONES WORTH REMEMBERING

THE  
CO-OPERATIVE MOVEMENT  
TO-DAY

B-119

393

BY  
GEORGE JACOB HOLYOAKE

"Is it instinct? Is it nature?  
Or some freak or fault of chance—  
Which our liking or disliking  
Limits to a single glance?"  
CHARLES SWAIN

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## PREFACE

THE object of this Book is to explain Co-operation to outsiders—the nature, growth and extent of the Movement; so that none may think too little of it, nor expect too much from it. Thinking too little is not to discern its usefulness; expecting too much is to bespeak disappointment at its actual success.

The outside public only understand Distributive Co-operation, and do not know that its original aim was to establish Co-operative Industry. Its aim is not alone to make superior grocers, but to make men—to raise a class capable of controlling their own means of support. The Store is a great device—the Co-operative Workshop is a greater. Until Labour is endowed with the right of profit, in some equitable form, the war of Industry against Capital will never cease. To vindicate Co-operative Equity as a means of concord between Labour and Wealth, is the main object of the following pages.

G. J. H.

"I have always wished, once at any rate, to be face to face with the citizens of that State within a State, which is called the Co-operative Movement." — LORD ROSEBERRY, *Inaugural Address 22nd Annual Co-operative Congress, Glasgow, 1890.*

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## APPENDIX

1902

THE characteristic of Co-operation is not only that it is a "going concern," it is also a growing concern. A statement of the Capital, Sales, and Profits of any society mentioned may be assumed now to be double, or more than double, what they were twelve years ago. Thus the Sales of the English Wholesale Society, which were in 1889 (sec p. 42) £7,028,994, amounted in 1900 to £16,043,889. Again, the Sales of the Scottish Wholesale Society in 1890 (see p. 43) were £1,155,324. In 1900 they were £5,463,631, as may be seen by consulting the "Wholesale Society's Annual, 1902"—the final authority on Co-operative statistics.

PAGE 30.—The names and addresses of the present Registrars of the Industrial and Provident Societies are as follow:—

- E. W. BRABROOKE, Esq., C.B.,  
28 ABINGDON STREET, WESTMINSTER.
- R. ADDISON SMITH, Esq.,  
3A HOWE STREET, EDINBURGH.
- D. O'C. MILEY, Esq.,  
16 DAME STREET, DUBLIN.

PAGE 36.—The table on this page gives the financial and business position of the movement in 1890. The following table, 1901, eleven years later, shows the advance made:—

### *The United Kingdom*

Number of Co-operative Societies . . . . .	1,651
Number of Members . . . . .	1,729,976
Amount of Capital—Share and Loan . . . . .	£26,942,550
Reserve Funds . . . . .	£1,912,894
Amount of Trade . . . . .	£69,835,000
Profits earned, including Interest . . . . .	£7,823,272
Devoted to Education, 1899 . . . . .	£56,562

PAGE 45.—*Completion of the List of Presidents of the Annual National Congresses.*

Year	Date of Opening.	Where Held.	First Day, Inaugural Address delivered by
1891	May 18	Lincoln: Drill Hall, Broadgate .. ..	A. H. D. Acland, M.P.
1892	June 6	Rochdale: Baillie Street Chapel .. ..	J. T. W. Mitchell.
1893	May 22	Bristol: Hall of the Y.M.C.A. .. ..	Councillor G. Hawkins
1894	" 14	Sunderland: Victoria Hall .. ..	Thomas Tweddell, J.P., F.R.G.S.
1895	June 3	Huddersfield: Town Hall .. ..	George Thompson.
1896	May 25	Woolwich: Tabernacle, Beresford Street ..	Benjamin Jones.
1897	June 7	Perth, City Hall .. ..	William Maxwell.
1898	May 30	Petersborough: Theatre Royal, Broadway	Duncan M'Innes.
1899	" 22	Liverpool: St George's Hall .. ..	Frank Hardern.
1900	June 4	Cardiff, Park Hall .. ..	Councillor W. H. Brown.
1901	May 27	Middlesborough: Town Hall .. ..	J. Warwick.
1902	" 19	Exeter: Theatre Royal .. ..	G. Hawkins, J.P.

PAGE 47.—The Co-operative Guild no longer exists. The grant in aid of it made by the Central Board was withdrawn. The Guild's sphere of action was distinct from that of the Central Board. A pioneering guild of its description is always needed.

PAGE 49.—Mr Sam Bamford has since died, and the *Co-operative News* is now edited by his son, Mr W. M. Bamford.

PAGE 50.—Mrs Imogene C. Fales of America and Professor Vigano of Italy have since died.

PAGE 51.—Most readers will know that we have lost by death the great services of Edward Vansittart Neale. He has been succeeded by Mr J. C. Gray, J.P.

PAGE 175.—The General Secretary of the Co-operative Guild is Miss Llewelyn Davies, Kirkby-Lonsdale, Westmorland.

C. M., the initial letters of this book, "The Co-operative Movement To-day," are the same as were inscribed on Queenwood Hall, lately destroyed by fire. "C. M." was intended to signify Co-operative Millennium. The Author has not the slightest idea in what part of the future the Millennium lies, but he hopes this book may be found to indicate one of the paths to it.



## APPENDIX

1905

"THE Co-operative Movement To-day" remains in general respects what it was when the first edition of this book was issued. The particular difference consists in the continuity of its growth, as indicated in the previous Appendix; its expansion continues, and the volume of its trade and profits still increase. In a respect more important, that of the general recognition of principle, it is advancing.

By coincidence this book, the "Co-operative Movement To-day," and a similar work, the "Co-operative Movement in Great Britain," by Beatrice Potter (Mrs Sidney Webb), appeared at the same time. As both are used as Co-operative Class Books the difference between them needs to be explained. Both works have one aim—the better industrial welfare of the people. The difference between them lies in their method of seeking it. This book, the "Co-operative Movement To-day," is intended to show what can be done now—done to-day—by the people bent upon helping themselves; while Mrs Webb's book treats Co-operation as a State movement, and, consequently, as Lassalle did in his day, it derides, belittles, and discourages the initiative of individuals. The Co-operative movement as we know it to-day is the work of individual effort doing what it can, using such opportunities as are open to it and, by acting with others like-minded, they owe their improved condition to themselves.

A new Manual, intended as a class book for students, has appeared, under the title of "Industrial Co-operation," prepared for the Co-operative Union, and published by them. It, therefore, is an official manual. It is edited by Catherine Webb, unrelated, I believe, to Mrs Sidney Webb, before mentioned. It not only treats of Co-operation in Great Britain, but also in Ireland, which is for the

first time recognised as a Co-operative Country. This Manual, also for the first time, gives equal recognition to Labour Copartnership. It presents to the student "the diverse theories regarding the division of 'the fund commonly known as profit,' which, broadly speaking, still divide Co-operators into two schools of thought, although, happily, no longer into two contending parties." In these words Miss Webb expresses with felicity the terms of an armistice likely to be perpetual. Labour Copartnership has not before been accorded a department in any Manual, though it was the first form of Co-operation which excited the interest of the people. This extension of principle gives new importance to the extension of Co-operative trade.

Two Congresses have succeeded those here before recorded in the Appendix for 1902, page 194.

Year	Date of Opening.	Where Held.	First Day. Inaugural Address delivered by
1903	June 1	Doncaster : Corn Exchange .. ..	J. Shillito.
1904	May 23	Stratford : Town Hall .. ..	Edward Owen Greening.

At the Stratford Congress recognition, long deferred, was made of the historic services rendered to Co-operation by Mr Edward Owen Greening by his being appointed President. As Manager from the beginning of the Agricultural and Horticultural Association, a promoter of the Labour Copartnership Society, founder of the annual Co-operative Festival of Labour and Song, Mr Greening has a distinguished Co-operative record. On his retirement from the Southern Section of the Co-operative Board, to which he had belonged for many years, he was presented with an Address of Honour—a distinction which has been accorded to no other retiring member.

The new Manual states that "the Co-operative Union was formed for the purpose of promoting the practice of truthfulness, justice, and economy in production and exchange." This recalling of the object of the Union is very important. It reminds members of the obligation they are under to their own principles, which require perpetual vigilance to carry out. The popularity of Co-operation, and the preference of the public for the products of the store and the workshop, depend upon

this belief. We ought to see examination papers on this subject in some practical department of the Educational programme.

In spite of the cardinal administrative rule of the stores to abolish the indebtedness of members, giving credit has been part of the business of many new stores, and it has crept stealthily into many others. The Co-operative rule of neither asking nor giving credit has been the pride of the system. It requires a special education in industrial probity in managers, in directors, and in members to carry the principle out, and renewed attention is being given to the question.

There is reason to believe that the Judasian passage, on page 104, will ere long be irrelevant in the record of English Co-operation.



# THE CO-OPERATIVE MOVEMENT TO-DAY

## CHAPTER I.

### FAMOUS PRECURSORS OF CO-OPERATION.

ENGLISH CO-OPERATION is a system of commerce and industry consisting of societies of working-people in which the business profits of a store are given to the purchasers and the profits of the workshop to the workers. The division of profit in the store is made according to the amount of custom and in the workshop according to the amount of wages.

The original object of Co-operation was to establish self-supporting communities distinguished by common labour, common property, common means of intelligence and recreation. They were to be examples of Industrialism freed from competition. In the communal life an ethical character was to be formed in the young, and impressed upon adults, and all assured education, leisure, and ultimate competence as results of their industry.

The object of this brief book is to give a portable, easily-read account of the Co-operative movement of to-day. Its

## 2 THE CO-OPERATIVE MOVEMENT TO-DAY.

origin goes far back—as the origin of most things does. But a few words will suffice as to its source in the past.

There is evolution in originality, could we but trace it. When a “new thing” is made clear, men find it is some development of ideas which had gone before, which had little meaning to any contemporaneous mind. Having been unobserved, and unregarded if seen, it is as a “new thing” to those who at length distinctly apprehend it. They at first deny that there is “anything in it.” After a time, when the reality and uses of the new thing become indisputable, those who denied it declare they always knew all about it. That is the way of excusing their ignorance, or pretending to knowledge they never had. As George Henry Lewes said, “The truths which required many generations to discover and establish, are declared to be innate.”

Ideas are like seeds. He who discovers a new germ has distinction, though he may not ascertain its nature or uses. When another causes it to germinate and proves it to be of value, he in his turn has reputation and honour. He is not the same as the discoverer, but he may be greater, as he, who made the first steam-engine is greater than he who discovered steam.

In the myth-world before Homer there is Minos, who is reputed to have established equality among the Cretans, not suffering any, whatever their rank, to lead an indolent life. All classes sat at common tables, partook of the same diet. These laws are said to have been operant 1000 years—a long time for a scheme of society which many believe to be contrary to human nature. Thus the *idée mère*, the mother-idea, as the French (who have concrete insight) say, comes from afar.

### FAMOUS PRECURSORS OF CO-OPERATION. 3

Lycurgus (B.C. 814) is credited with having governed Sparta as successfully as Minos did Crete, and on similar principles. The only aristocracy of Sparta was one of merit. The dread of living for himself alone was the earliest lesson imprinted on the mind of a Lacedemonian. That "dread" has long been extinct in Christendom, if it ever came here at all. Thus the reader will see that the Co-operative idea is no new-fangled conception which needs to apologize for its novelty. It has an ancient pedigree, and though long intervals have occurred when the principle appeared to be dead, yet, like the grains of wheat found in the coffins of Egyptian mummies, it has possessed vitality and power of germination after thousands of years.

Early and later in human history, those who noticed the haphazard incoherences of society, saw that things could be better managed if some general plan was devised for the purpose. There are six notable instances preserved in literature of famous world-improvers, who have chiefly influenced social thought, and have been mainly in the minds of industrial organizers and co-operators down to this day.

Plato, B.C. 430.

Christ, who began a new era.

Sir Thomas More, 1480.

Bacon, 1561.

Campanella, 1568.

Harrington, 1611.

Plato's Republic still retains its freshness and transcends in interest all other schemes which genius has proposed.

It does not appear that Christ foresaw the discovery of Political Economy and the rise of the manufacturing system,

#### 4 THE CO-OPERATIVE MOVEMENT TO-DAY.

since His plan of selling all you have and giving it to the poor would soon bring society to a precarious level, and add the rich to the population of the poor. Having "all things in common," which was the early Christian notion, was putting the end of communism at the beginning. It is the aim and end of the organization of society to bring that state of things about. To put in the minds of men the idea that the end can be reached at the beginning without labour, concert, and patience, has proved disastrous, and filled those of a communistic way of thinking with a foolish expectancy which has led to discord and ruin. Christ spoke in the spirit of the Essenes, whom he was personally in contact with. Their communistic motto was very definite. It was, "Mine is thine, and thine is mine." It is only the latter part of the motto which has come down to us.

After leading a fugitive, furtive, circumscribed, cloistered, and monastic life for 1480 years, the Co-operative ideal presented itself again in Sir Thomas More's *Utopia*, which Mr. Ruskin interprets as the "Place of Well-being"—a name which others say signifies "Nowhere"—perhaps because nowhere has it been put in practice, though wise passages in his work have mitigated errors of society which he desired to correct. Eighty years after More (reckoning from birth to birth of these famous thinkers) came Lord Bacon with his *New Atlantis*, which his great name and authority have caused oftener to be mentioned than read. Seven years later came Tomaso Campanella, a Dominican monk, distinguished for philosophical attainments, with his *City of the Sun*, which he might well desire to live in, seeing that he was confined twenty-seven years in a Neapolitan dungeon, tried five times, and tortured seven. Forty years after Campanella comes James Harrington with his *Oceana*,



dedicated to Cromwell. Harrington was a friend of Charles I., and counted eight dukes among his ancestors. The *Oceana* was inspired by the *Atlanta*, as the *Atlanta* was inspired by Plato. From Plato to More, a period of nearly two thousand years, no intelligent scheme of social life appeared in literature, while from More to Harrington, a period of little more than one hundred and sixty years, four memorable schemes were propounded.

Since that day experimenters have succeeded to the theorists. John Fettiplace Bellers, the Quaker, with marvellous practical sense for the time, proposed his *College of Industry* (published 1696), the best devised and least known.

François Noel Babeuf (1764) next appeared, who had the courage to withstand Robespierre and St. Just during the Reign of Terror in Paris. His resolute conspiracy of Equality was the only attempt made to bring it about by force.

A year after Babeuf, was born Claude Henri Comte de Saint Simon (1765), who counted Charlemagne as founder of his family. St. Simonianism, the social system which bears his name, won brilliant discipleship in France in the earlier years of this century, was but little known in England. François Marie Charles Fourier (1772) was more fruitful in practical results and attracted more attention in this country. Godin was one of his disciples, who founded the now flourishing Familistère of Guise.

Of these ten distinguished Social Innovators now enumerated, the reader will observe that only three—Christ, Bellers, and Babeuf—were plebeians, while seven were patricians, who saw that life might be improved by wisdom of arrangement and that it was conducive to the honour and security

## 6 THE CO-OPERATIVE MOVEMENT TO-DAY.

of their order that the mass of mankind should have contentment, and freedom from the fear of want, which ever begets conspiracy and revolution.

In none of these schemes of a new order of society was there any, or very little, of the Co-operative principle of self-help, and self-government. Certain philanthropic potters were to make the mould and put the human clay into it, when articles of superior pattern and quality would be produced. What they really accomplished was putting into the minds of thinking men, that human wisdom might arrange a commonwealth superior to that which chance and war had established.



### CHAPTER II.

#### THE ENGLISH FOUNDER OF CO-OPERATION.

WALES has produced many bards and many preachers, but only one social philosopher, Robert Owen, who was born at Newton, Montgomeryshire, May 14th, 1771; and died there, November 17th, 1858, in his eighty-eighth year. Robert Owen was the founder of Social Ideas among the people. It was he who carried them from the narrow circle of philosophers and invited attention to them by the outside world, where they were most needed.

The "Utopian dreamer," as the world called him, proved to be the most practical and sagacious manufacturer of his day. Jeremy Bentham said his investment in Owen's New Lanark Mills, on the banks of the Clyde, was the most profitable he made. Mr. Owen showed how Capital and Labour could be united. Those who professed to desire

this end mostly acted then as now, on the principle of giving all profit to Capital and accorded no more to Labour than lecturing it on the duty of being content with wages—and the poorhouse. Mr. Owen treated those he employed as well as he did his machine, and was as proud to show his workpeople as his workshops. His own words were, "I early noticed the great attention given to dead machinery and the neglect and disregard of the living machinery." Well-fitted rooms for cooking; halls for classes of instruction, experienced teachers, lecture halls supplied with the best scientific means of instruction the continent could supply—were provided for the uses of the workpeople. The poorest and most hopeless persons became moral, intelligent, and even happy. No law was needed amid a population over whom before law was unable to secure social order.

Never has England seen such splendid arrangements for the social education and recreation of workmen, workwomen, and children. By generous forethought for their comfort, Owen doubled their means, and profit and honour came to him from their goodwill and gratitude.

No wonder the principles on which he produced these results took in his mind the shape of a "system," and capable himself of conceiving large combinations, he was eager to apply his system to society, which system he believed to be an alembic, in which the baser metal of the world might be put and be changed into pure gold. Princes, the Emperor of Russia, and other dignitaries visited him at New Lanark. He was himself well received at foreign courts to which he went, and, what he more valued, he possessed the friendship of the Duke of Kent, who took the chair at important meetings in the City of London. The

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Duke, as other eminent persons did, "saw in Mr. Owen a philosopher who had discovered a science of society"—in which it should be impossible for a man to be depraved or poor—where competence should be obtained without competition, where the rich should be secure, and the working-class evermore prosperous. The Duke said, "should he come to the throne, he would give what effect he could to Mr. Owen's principles."

In human affairs, as in nature, great rivers sometimes arise from seemingly insignificant springs. What an obscure thinker has in his mind to-day the world may have in its mind a century later. It is therefore the purpose of this book to take notice for the space of a few paragraphs what were the main aims of Owen which coloured the Co-operative movement in his time and to this day.

Owen's paramount object was the "Formation of Character." His chief work, which Francis Place revised for him, was upon this subject, and bore the above title. Owen looked forward to assembling and settling large groups of persons in industrial cities, which he called "communities." If they remained there, or prospered when they were there, depended upon the character of mind and manners they took with them or acquired when there. In Owen's mind this *general* character could only be created under suitable material conditions, and that there was causation in the will as well as in the outer world. He saw that could men choose their own destiny no one would be inferior in stature, or beauty, or strength, or in noble and lofty ideas. Each would be incapable of weakness, or meanness, or baseness, or error; and therefore compassion and elevation were the rights of inferior natures. This doctrine was open to the objection that it imposed on those who accepted it, watch-

fulness, effort, care, and patience towards those less fortunately endowed than themselves. This doctrine also proved repellant to the theologist who regarded all error and evil as having but one cause—the Satanic—a theory which had the merit of simplicity and economy in effort, since the only policy of improvement it imposed was to blame and pray, which answered well so long as no one complained that nothing came of it. The causation of the will, the only principle that can render progress a science, was then disbelieved, though competent observers had long seen its truth. Lord Chesterfield had said to his godson, "Never mingle in conversations on religion, further than to express a universal toleration and indulgence to all errors in it, if conscientiously entertained; for every man has as good a right to think as he does, as you have to think as you do—nay, in truth, he *cannot help it*."

It is a curious indication of the unseeingness of partizanship and passion not to notice that all schemes of organized social innovation have been devised by well-meaning despots or would-be despots.

In most instances sympathy for the hard lot of the people—in Owen's case it was sympathy, disapproval of the waste and animosity of competition—were the inspiring causes of social schemes, but the method was the methods of rulers who thought the people incapable of understanding their own interests and too troublesome to govern, save by authority and mastership. Every scheme to which the attention of the reader has been called was in the interests of the governing classes, designed to increase their influence and mitigate their risks—yet these have been the very persons who have professed the greatest terror of a form of society devised for their advantage. Did not uninformed

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prejudice supplant reflection, they would discern how little they have to fear from socialistic schemes, seeing who have been friendly to them. Lords Liverpool, Sidmouth, and Castlereagh (of infamous memory politically), the Russian Czar, the French Usurper, Bismarck, Lassalle, Owen, were Tory Socialists, as are the chief advocates of the State Socialism to-day.

Even Bellers proposed that the State should establish and carry on his College of Industry. The profits of the college were to be divided among the shareholders. The workers were guaranteed good treatment, but neither share of profits nor share in management. Though himself a Quaker—one of a sect derided and despised, and for whom the pillory was thought to be too good—men with whom the “respectable classes” of that day would not communicate, let alone trust—yet this man would not entrust honest workmen, at least as reputable as himself, with any vote in the control of the college, enriched by their labour. Yet why should the rich be accorded the sole right of governing; except that they may be better educated—there is no reason. In other respects the reason is all against the preference accorded them, for the working-classes are as honest, and if they were no better than their “betters,” they would be entitled to their turn in managing their own affairs. Let it, however, be said to the credit of the distrustful Bellers, that he otherwise stipulated for handsome treatment of the workpeople in the colleges. There was to be no precariousness in the lot of any one. They were to be provided for, single or married, in sickness or health; and children were to be instructed without corporal punishment, and protected from want in orphanhood.

Mankind may be divided into the fortunate and the

infortunate classes — which Disraeli called “the two nations.” If the fortunate classes were not all for themselves, but shared with sympathy a small portion of their riotous advantages with the class below them, they would have permanence of pleasure and no risks. The unfortunate classes are naturally content with very little—if that little gives them contemporary satisfaction and a prospect of competent subsistence when the day of labour is over. It was to attain these that Co-operation was invented.

There are many vehement, just-minded preachers who are persuaded that it is ill-treatment and hopeless fortune that alienates so many of the people from Christianity, and not defective evidence or difficulty of understanding; so there are numerous generous politicians who believe that if the people were well governed they would be contented in the conditions of inferiority in which “Providence has placed them.” That there may be principle in democracy, pride in independence, desire of control in public affairs, by which every man is bound—does not enter into the ordinary governing mind. It does not seem prudent to destroy these theological and political illusions since they dispose those under them to promote amelioration. They are alluded to here only to show how large a part the passion of supremacy plays in philanthropy.

The Philosopher of Lanark belonged by instinct to the governing-classes. His great principle that men are what they are by the influence of heredity and the circumstances under which they exist—taught him that vengeance or violence was the policy of ignorance, and that improvement in social condition could only be brought about by changing the “system” which produced the disagreeable people and the disagreeable arrangements which subsisted in

society. Mr. Owen did not imagine that people would, or could, or ought to control their own destiny. His persuasion was that it was the province of what are called the upper classes to do it for them. In this he was of the opinion of the Bishop of Salisbury, who lately in a cathedral sermon said, "he believed God had made the lot of men unequal in order that the rich should help the poor." Had the rich heard of this earlier, the world might be in a better condition than it is.

Since Owen's day the idea of self-government, the inspiration of independence, and the capacity of self-support, have been developed and acquired strength. The few have forfeited by neglect the advantages which authority had given them. The many have come into power now, and the few have notice to quit dictatorship—though it will be long before they are finally superseded. Co-operation is the first independent force of industry and of self-help which has grown up, and Owen, without intending it or believing in it, was the originator of it.

Though Owen was above all things desirous of establishing a community, he was not destined to behold one arise after his own heart. Less fortunate than Moses, he did not even see from any Mount Pisgah the Promised Land of his dreams. He bought from the leader of the Rappites their estate on the banks of the Wabash in Indiana, but believing too much in the tendency of miscellaneous mankind to obey rules of reason and the conditions of fraternity, he permitted an aggregation of the well-disposed and the ill-disposed, the craftsman and the crafty, the pioneer and the adventurer. As there was no governing authority to eject the tares from the wheat, the tares soon had the mastery. The new system required men of a new nature



capable of founding a self-supporting city, but these were not selected at Indiana, which was soon overrun by the locust of competition, who devoured every goodly thing. So the Indiana experiment ended. Owen witnessed other experiments in Scotland, Ireland, and England. At Orbiston, Abraham Combe showed some judgment in the selection of settlers, and by living and working among them. That was the way to inspire and train a colony. But there was never money enough in the scheme. The Motherwell project is hardly to be counted. In Ireland, Ralahine was under private ownership of one who gambled it away, when there was prospect of success. The chief experiment with which Mr. Owen's name was associated was that of Queenswood in Hants, but Owen never approved of the project. He knew better than any one else that a self-supporting, influential colony was not practicable on a small scale. Hence he looked to the funds of the State as alone adequate for the purpose, unless, as he hoped, great capitalists would subscribe enough to run a community. There was never a quarter enough money in the affair. Owen aided it out of regard to his friends who promoted it, but never countenanced the attempt, and is not to be held responsible for its failure.

Owen, as has been said, was one of the small class of benevolent Tories who regard power as including an obligation to use it for the advantage of the people. His idea of making mankind good was by giving them opportunity of intelligence and competence. He was a patron, not a pioneer of self-help. He was a State Socialist, and it was only when the State refused to take action that he appealed to the people to do what they could for themselves; Richard Oastler, the Rev. Joseph Rayner Stephens,

John Bright, were conservative and royalist, yet their passion for the amelioration of the condition of the poor was so determined that they would set aside the throne if it stood in the way of justice. So it was with Owen. If he could not have a State-made world he would have a "new moral world" at any cost of classes. His boundless belief in the latent goodness of human nature, in the possibility of forming noble characters, his earnest desire to bring out whatever power of right action men have by appealing to their reason, his carelessness about his own interests, his business genius, by which he acquired great fortune, the generosity with which he shared it with his operatives or devoted it to great social aims, had great fascination for working-men of the generation now passing away who have exercised the profoundest influence over others.

Harriet Martineau, who knew Owen well, and looking at his plans with the cold, critical eyes of the political economist of her day, yet left splendid testimony of his generous propagandism.

His compassion for the condition of the poor made him benevolent, which was against him, as it caused his schemes to be thought "sentimental." In his mind kindness and equity were paying virtues, and the only virtues which did pay.

Erckmann-Chatrian relates that when the observer of the camps of Napoleon finding them for a period sluggish and desultory, then seeing them suddenly become animated and active, he knew that the Emperor had arrived. He had not been seen to do so, but his presence was disclosed by the commotion of the army. So now, when an observer of society sees education extended, infant instruction made considerate and entertaining, sanitary improvements pro-

## CHARACTERISTICS OF EARLY CO-OPERATORS. 15

moted, shorter hours of labour conceded, improved industrial and social relations studied, and self-help by the people established on Co-operative foundations unknown before Owen's day—the observer may conclude, though Robert Owen's name be never mentioned, that his principles survive and his influence is operative.

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### CHAPTER III.

#### CHARACTERISTICS OF EARLY CO-OPERATORS.

IN the arid plains of English industry Co-operation broke out like a spring, here and there, at long intervals; only of late years has it furnished a confluence of waters sufficiently to irrigate the parched fields of labour.

When a lady said to Whistler, as something he might be proud of, that she had observed many scenes on the banks of the Thames quite like his pictures—"Ah!" he said, "Nature is creeping up to me." No doubt, if historians had troubled themselves to observe industrial aspects in former centuries, they would have seen Co-operation, in one form or other, creeping up to them for notice. Not getting it, the rise of that form of industry by concert and consent is indicated mainly by tradition and fugitive records. It was counted a triumph of research in Sir Henry Maine to be able to show that there were agricultural communities in Europe in the Middle Ages, and a co-operative use of land in England.

Facts warrant the belief that Greek sailors in the Levant, American sailors in whale fisheries, Chinese traders in

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John Bright, were conservative and royalist, yet their passion for the amelioration of the condition of the poor was so determined that they would set aside the throne if it stood in the way of justice. So it was with Owen. If he could not have a State-made world he would have a "new moral world" at any cost of classes. His boundless belief in the latent goodness of human nature, in the possibility of forming noble characters, his earnest desire to bring out whatever power of right action men have by appealing to their reason, his carelessness about his own interests, his business genius, by which he acquired great fortune, the generosity with which he shared it with his operatives or devoted it to great social aims, had great fascination for working-men of the generation now passing away who have exercised the profoundest influence over others.

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Store in England. It was a Patronage Store, proceeding from an honourable sentiment of charity, but did nothing to teach the customers the principle of self-help, thrift, and self-management.

A corn-mill was put in operation at Hull in the same year (1794), which had for its object the reduction of the cost of flour to its members. The Sheerness Co-operative Society (1817), the oldest Store extant, was formed to supply its members with wheaten flour and butchers' meat otherwise unattainable by the poor working people; beggared by the aristocratic war against the French Republic. It does not appear that any of these devices proceeded from any intention of superseding competition or of establishing a new principle of social life. It was by Robert Owen that that idea came into the English mind.

Robert Owen succeeded his father-in-law, David Dale, in control of the Lanark Mills. David Dale was owner of forty Dissenting churches. Better than this (let us hope because of this) he was the greatest mill-master of his day. His care for the comfort of the children and of his workpeople (more than 1000 in number) had no equal, or even imitator, in his day, nor in Great Britain since, save Owen, who far surpassed him.

Owen had wider views than Dale, and cared for the material and intellectual welfare of men. One of the things he did at New Lanark was to establish a provision shop. He bought in wholesale quantities such articles as his workpeople were in the habit of consuming in their families. He gave the room in which they were stored, and added to their price merely the cost of the man's time who had charge of their sales. Thus the goods were supplied without profit on his part, much to the advantage of his

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workpeople, who had much cheaper and better articles than they could obtain in the village; besides being always sure of full measure and fair weight.

More than by these advantages thinking proletarians were fascinated by the education he gave all in his employ. People to-day will read with amazement what this education was, as described by one who took part in it.

"The subjects taught to the elder classes were the earth (its animal, vegetable, and mineral kingdoms), astronomy, geography, mathematics, zoology,<sup>1</sup> botany, mineralogy, agriculture, manufactures, architecture, drawing, music, chemistry, and ancient and modern history. The little children were occupied with elementary education, military drill, and dancing,"<sup>1</sup> at which Mr. Owen's Quaker partners were much discomforted. The schoolrooms were picture galleries and museums. Learning ceased to be a task and a terror, and became a wonder and delight. When the reader thinks of the inferior education given by this wealthy English nation, under its Board Schools, and the miserable conditions by which it is accompanied, he will feel admiration of the princely mind of Robert Owen.

When Mr. Owen came to have disciples interested in his scheme of self-supporting village communities, the ardent and practical bethought themselves of the Lanark provision device, and by £1 shares set up similar shops, where goods were bought in quantities according to their means, and sold at common market prices—the profits being invested in funds for founding a community. In many cases ardent shareholders took no interest for their money, or if they did, they added it to the said fund.

<sup>1</sup> Robert Dale Owen.

## CHARACTERISTICS OF EARLY CO-OPERATORS. 19

These Stores always seemed pitiful in Owen's eyes. They could do but little to supply funds to carry out his vast designs. They could do little for the formation of character which Owen had at heart. He did not deprecate this form of Co-operation, and did not applaud it. The *Crisis* nor the *New Moral World*, organs of his views, scarcely recognized Co-operation in the humble form in which it appeared in their time. Ardent disciples of the new views contemned Co-operative shops, as diverting attention from the social millennium which they were assured had already commenced, as the letters "C. M., 1842," which may be read to-day on the walls of the great hall at Queenwood, denote.

It was a singular thing that Store Co-operation, which alone was destined to carry forward the idea of the Co-operative City, should have to make its own way unaided and unapplauded by the founder and his chief disciples. Shop Co-operation naturally seemed a small thing in the eyes of community-makers which the great capitalists were, as they believed, about to launch and the State to adopt and sustain by its abundant funds. The great pacific scheme would save the cost of policemen, gaols, and courts of law, as *was* the case at New Lanark. Then the economy of Co-operative life would repay and overpay the investments of the State, which would ever more enjoy riches with honour. Only a few among Owen's disciples, who were not sanguine by nature, doubted whether victorious days were coming. Yet, had not the millennium been announced as being on the road by the only person who seemed likely to know (Mr. Owen), and who had done more than any living man to prepare the way for it? Selling treacle and bacon over a counter, and saving the

humble profit of the shopkeeper, did seem to these bright expectants a pitiful and unnecessary enterprise, and Co-operation was mean in their eyes.

Soon after Mr. Owen left New Lanark, Co-operative shops began to appear. As early as 1820 there was a Co-operative Printing Office bearing the good business name—"The Economical." But it was Community and not Co-operation which was then in the minds of Mr. Owen's followers. Gradually until 1830 societies began to appear in various towns, advocating Communism of the voluntary, reasoning, pacific kind, Mr. Owen proposed. In many places Co-operative Societies for the sale of provisions were set up. Three were established in London by a "Society for Promoting Co-operative Knowledge," which between 1830 and 1834 held three Congresses of Co-operators.

The millennium had not put in an appearance. Neither the State nor capitalists had done much to accelerate its arrival. Clearly if it was to come the persons desiring it must bring it in. The early co-operators soon saw that the money saved at the Stores could be much increased by Co-operative workshops, which might employ the Store members until they could be transferred to the City of Industry—such members in the meantime could augment their means by sharing the profit of their labour, enabling them to contribute more to the "Community Fund." The generous aim of this early Co-operation was to raise the *class* of workers in the social scale of intelligence, competence, and independence—not to raise a few individuals merely. They had seen too much, and suffered too much from pernicious individual pre-eminence, to wish to augment it. Their prayer was the discerning prayer of Browning—



## CHARACTERISTICS OF EARLY CO-OPERATORS. 21

"Make no more giants, God,  
But elevate the race at once."

Long before the French used the phrase "solidarity," the early co-operators understood it. Whether or not they could unite all hearts they believed Co-operation could unite all interests, which was plainly impossible under competition. The Co-operation which they sought was a new force of Industry which should attain competence without mendicancy, and temper inequality by equalizing fortunes. Its main principles are Concord, Economy, Equity, and Self-help. . . .

1. Co-operation is the peace of industry—the opposite of competition, which is the war of industry. Co-operation maintains concord by toleration, chiefly from seeing that people come by their capacity and their manners as they do by their stature and complexion, whereby indignation became in the co-operative mind a foolish futility. Half the time of ordinary-minded persons is taken up with anger, repugnance, and resentment. Being free from these time-wasting sentiments, the co-operators have leisure to think, and peradventure to discover how best to live.

Goodwill, good sense, and good opportunity comprise the only policy of improvement. The uniformity of opinion is a difficult undertaking, but the unity of industrial interests is possible, and this is the object of Co-operation.

Shelley tells us that—

"A man who went to hang himself one day,  
Finding a purse, then threw his rope away.  
The owner grieving he had lost his pelf  
Found the (abandoned) rope, and with it hang'd himself.  
Fortune is God. All you endure and do  
Depend on circumstance as much as you."

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The aim of Co-operation is to create good circumstances, to take care that every man shall find a purse in his own industry, and no one be the loser by it.

2. Economy is of two kinds—one is limiting the expenditure of life, the other is limiting the expenditure of money. The sentiment of tolerance saves irritation at the diversities of others, and prevents the waste of energy and time in anger and hatred, rendering goodwill possible, which induces the co-operation of others. Unity makes money in a Store, since the more the purchasers the more the profit. Credit is abolished, which saves book-keeping and County Court trouble; while ready-money purchasers enable ready-money buying, which is a further economy, while the Profit Bank, which every Store keeps, where persons draw money out who never put any in, enables humble people to save where philosophers would put nothing by without such opportunity. The love of excellence in work and purity in food conduce to taste, and health which conduce to economy.

3. Equity is the grace, if not the essence of Co-operation, it being the far-reaching principle which creates confidence. Equity is justice to others, and justice to others implies honesty, which is justice to one's self. Fair measure, good quality in Store sales, and a just share of the profit come by equity. It is in the workshop that equity has the nobler sphere. In the Store profits are given to purchasers who would not otherwise buy. In the co-operative workshop profit is given to the worker, who otherwise will do the least he can instead of the most he can. In the competitive workshop capital purchases labour. Destitution is the seller, and capital buys at its own price. It is therefore nobler to observe equity where you can defraud with impunity. The principle of equity has shone like the glow-

## CHARACTERISTICS OF EARLY CO-OPERATORS. 23

worm in the night of industry. As far back as history condescended to notice methods of industry, profit-sharing has had a fitful place. Co-operation recognizes the right of labour to share in the gain it mainly creates. True this right is not legal, but one of equity. Formerly what was recognized as equity in one century became law in another. We are nearing the time when the equity of one year will be the law of the next.

It takes a long time for a principle to get into the bones. Bred up under competition we see many co-operative directors retain the competitive instinct for taking advantage of others. The cat in *Esop*, which was transformed into a beautiful woman sat at board with human propriety until a mouse ran across the table, when she at once darted after it. So there are co-operators who, when they see a possible dividend before them, dart after it without regard to equity, never inquiring to whom it belongs. Consistency in equity is a rare attainment, and many never acquire it. All the while they declare themselves in favour of profit-sharing, but never propose it, or concede it where they can. Some men, as Bacon says, are "like grasshoppers, whose vigour consists only in their voices."

Experience must be taken into account by all who are prudent. But experience does not reach to the future, nor cover more than a small portion of the present. Experience sees only the past. It is enthusiasm which sees the future. The triumphs of experience to-day are but the results of enthusiasm which went before. Now statesmen and journalists justly regard Co-operation as a new social force in Industry. It began in a desire for equality; but not by pulling down the rich to the pitiful level of the poor, but by teaching the poor how they might raise themselves to

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the level of the rich. The early co-operators sought equality, through equity. The instinct of equity was in their hearts. Hence the name they chose for themselves was the Rochdale Equitable Pioneers. The principles and aims of these pioneers are further set forth in another chapter.

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### CHAPTER IV.

#### FIRST STEPS IN CO-OPERATION.

IT is the business of a speaker to state his case, clear his case, prove his case, and then sit down. It is no less the duty of a writer to explain the question he undertakes to present, to free it from confusion with any other, to make its practical utility apparent, and then stop. This I will endeavour to do.

Co-operation is profit-sharing; it consists in giving to the purchaser at the Store and to the workman in the workshop, an equitable share of the profit produced by his custom, or by his labour. Co-operation expects from each person the best service he is able to render, under the condition of rewarding him according to what he does.

Industrial co-operation is one principle, that of profit-sharing, applied equally to commerce and to labour.

The reader entering a Store will find a small room, or may be a stately series of shops adjacent to each other, and along the front he may read the new legend, "Co-operative Stores," stocked with commodities for consumption and articles for household use. If a curiously-minded observer, he will naturally say, "What does this mean? How did this new species of dépôt arise? Is it a fresh device of some tradesman to allure by novelty, or is it a real market

n miniature, offering some real advantage to customers?" The answer to these questions is easy.

**Origin of a Store.**—A Co-operative Society is often established by one, two, or three intelligent workmen who, in the town where they were formerly employed, belonged to a Co-operative Store, and who wish for the advantages of membership again. They talk the matter over with other workmen, who eventually call a meeting, explain the subject as well as they can, and eventually start a small Store. In this case there is somebody who understands the question, and some working knowledge exists among them. In other instances the origin of a society is more difficult. A few workmen have heard of Co-operation and the benefit it has brought into a town. The attention of neighbours or friends is drawn to the subject in conversation, and they agree to call a small meeting at a coffee-house. Two or three are appointed to take steps to form a society. Some of them have heard that there is a Central Co-operative Board, whose offices are at 14, City Buildings, Corporation Street, Manchester. They have heard of Mr. E. Vansittart Neale, the General Secretary, or Mr. J. C. Gray, his successor, and they write to Mr. Gray for information how to proceed, when parcels of pamphlets are sent to them and small books about Co-operation. They are directed then to apply to the Divisional Board which exists in the district where the intended society is situated. This Board will send one or more speakers to address a meeting. There are sure to be Co-operative Societies in operation not far from the applicants. Every society, of any character or importance, has an Educational Committee, which will send one or two of its members to explain how they formed their society, who will gladly assist in the formation of a

new one. There is a Co-operative Guild at 35, Russell Street, Covent Garden, the secretary being Mr. Charles Cooper. The business of this Guild is to found and promote Co-operative Societies, and they also will send some speaker to give instructions and advice. The speakers sent from the Board or the Guild will attend free of charge.

**How the Funds are obtained and Business begun.**—Afterwards a meeting is held by the intending Co-operators, who agree to take up £1 shares. It is known from experience how many shares and how many members are necessary to form a paying Store. \*If in a village, £50 and 50 members may be sufficient. Such a Store is at first open only in the evening and on Saturday afternoons, perhaps in a room in some member's house, where a few of the active members attend in succession as shopmen. Perhaps the wife of some member, clever, tidy, pleasant-minded and managing, will conduct the evening shop in her own house, for small payment, until the profits of the Store enable the society to take a small shop of their own and appoint a day shopman. If the Store is to be in a town where the expense of a shop will be greater, there should be £150 subscribed and at least 100 members, who will promise to give all their custom, so far as the Store is able to supply their wants. There must be a prospect of sales from £40 to £50 per week, as less than this will not give a fair chance of paying necessary expenses and yielding an encouraging dividend.

Then arises the question, Where is the £50 or the £150 to come from? It depends upon there being two or three intelligent enthusiasts among the would-be shopkeepers, who act as carrier-pigeons of Co-operation, and carry the good

news of the proposed Store from workshop to workshop, and from house to house, and obtain subscribers. The seed may be sound and the soil may be good, but without sunlight the fruit will never ripen. Enthusiasm is the social sunshine without which no Store ever blooms. There are always many persons above the social station of the working-people for whose benefit the Store is intended—who will take shares to enable it to be started, though the commodities they require are not such as the Store usually provides for its ordinary customers. These promoters aid the Store to begin earlier than it could, if it had to wait for members to pay up their shares out of their profits. Those who most need the Store are commonly without the means of paying their shares any other way than from the profit the Store makes for them. These generous shareholders in aid, are often foolishly reproached because they are not constant purchasers also. If they were very zealous they would be able to buy many things for household use, which would further help the Store, but they are not always zealous. This buying might be a trouble to them, and they do not take it. Still they are to be esteemed for the goodwill they have shown, and the service they have rendered in entrusting their capital to the control of a committee who are fluctuating and unknown. Wise founders of a Store make a distinction between the subscribing members and purchasing members. The prosperity of the Store depends upon those who buy from it. No amount of shares can produce profit unless business is done. The prosperity of the Store depends upon members who promise to buy from it—and do it. No shop can be safely opened until there is a guaranteed number of purchasing members who can be depended on. The purchasers are the dividend-makers.

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**Share Capital.**—A Co-operative Store is not a speculation, nor a bubble society. Every step can be prescribed and known to be sure. As these societies are set against debt, and neither give credit nor accepts it, it must begin with sufficient money to pay its way.

The amount of a Store share is commonly fixed at £1, in some at £3 or £4 or £5. In many towns a Store might employ advantageously a larger share of capital than it has—200 members holding each a £5 share would supply £1000 of capital. In the early years of a Store opportunities arise of buying freehold land to build upon, and to hold in reserve for further erections as the business of the Store increases. Many Stores, having insufficient capital, are unable to take advantage of these opportunities, and not infrequently have to pay twice or thrice the amount for the same land when they want it, and sometimes it is not to be had at any price.

The Rochdale Pioneers began to fix the interest of capital at 5 per cent., which has been of great advantage to subsequent Stores. At first a larger interest was demanded on the ground of supposed risk of the capital, but now 5 per cent. is thought a good investment. Capital is always aggressive. In some societies engaged in manufacture it takes  $7\frac{1}{2}$  per cent., and half the dividend of labour also where there is but ordinary risk. The Pioneers did not begin by borrowing capital, they subscribed and collected it, but as every share bore interest, they limited the amount they would pay to themselves to 5 per cent. It is found prudent to arrange that the shares shall be half transferable and half withdrawable, and where one person holds two or four shares half shall be transferable. This prevents, in case of panic or treachery in the Store, the sudden withdrawal of the capital



to a point which might break up the Store. A member is not entitled to vote until he has paid up one share. By courtesy members are frequently allowed to vote without complying with this rule, but on any issue vital to the society or the property of shareholders, the rule is observed.

**Security of Funds.**—Before a society can expect or command financial confidence, it must be registered, which gives it legality and entitles it to the protection of the law in case of robbery or fraud. To understand what registration means, it is necessary to procure a copy of the Industrial and Provident Societies Act, 39th and 40th Vict., c. 45, which any newsagent will supply if the title of the Act just given is copied and sent to a newsagent. The General Secretary of the Co-operative Union, Mr. Edward Vansittart Neale, has drawn up Model Rules, entirely suitable for a society. There are always a few local requirements for which special rules are needed. These can be added as they may be deemed expedient. The Model Rules, like all things legal, require careful and repeated reading to understand them. Law, like medicine, is never plain, except to experts. A legal mind dwelleth alternately in brevities and circumlocution. References are made to other Acts of Parliament which ordinary readers never heard of. One rule has to be construed in connection with another, which is not cited but referred to. The Model Rules are as clear and plain as rules ever are, and more so than most rules, because the barrister (Mr. E. V. Neale) who drew them, was not only master of the subject, but also well acquainted with the needs of the persons for whose guidance they are designed. With a little careful reading these rules can be understood, and if difficulty occurs as to their purport or application, the General Secretary will readily give to the officers of a society

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information thereupon. The Model Rules can be obtained from the Central Board for twopence.

The rules agreed upon should be sent to the Registrar, who will examine them and any special rules adopted. If he finds them in accordance with the Acts of Parliament relating thereto, he certifies to that effect when the society is legalized. A society may make its own rules throughout if it pleases, but if the members are all lawyers they cannot make better rules than the Model Rules, which no doubt were submitted to the Registrar before they were published. If these Model Rules are used, the Registrar has less trouble than he would have with a new set of a new sort. But whether he has little trouble or much, he makes no charge for examining and certifying. A student of Co-operation will get no mean insight into the system by the perusal of the Model Rules. No genius could have invented them. They are the product of years of experience and practice which cannot be invented.

The address of the Registrar of Industrial and Provident Societies for England and Wales is—

J. M. LUDLOW, Esq.,  
ABINGDON STREET,  
WESTMINSTER;

for Scotland—

J. B. PAUL, Esq.,  
43, NEW REGISTER HOUSE,  
EDINBURGH;

and for Ireland—

W. F. LITLEDALE, Esq.,  
9, UPPER ORMOND QUAY,  
DUBLIN.

**The First Business Meeting.**—As soon as the requisite money is subscribed and sufficient membership guaranteed, the meeting elects a committee, a secretary, and a chairman or president. At the beginning of a new Store in a town where none are co-operators, one person after another nominates some one whose name he knows, until the necessary officers are elected. It is necessarily what, by sportsmen, is called a "scratch" committee; no one knows whether those elected understand the nature of Co-operation, and often experience soon proves they do not. Nor does every one ask himself whether the person he nominates can work with the others, or whether there are personal feuds in their minds which will be worked out on committee. No unity is possible where animosity exists, and without unity in the committee there will be none in the society. Nevertheless a committee must be appointed, and it can be composed only of persons present. But it is so easy now to learn the principles which have been proved to be true, and the practice which experience has tested, that any society whose members are earnest can get along. The committee may make a few blunders—earn dividends one quarter and lose them the next. But sooner or later the right sort of committee get together, the society gets on the right track, and grows rich beyond all expectation. To learn how to succeed the members have only to follow Cobbett's advice for acquiring any new branch of knowledge—"Begin and stick at it."

If a society makes known what they are about, the members do several things at the commencement.

1. They set aside  $2\frac{1}{2}$  per cent. of their profits for the education of members. They will not proceed far in the affairs of their society before becoming sensible of the need of this.

2. They take care that the profits of the Store or workshop shall be shared by the workers, at least to the extent of the same dividend on wages earned as is paid in the Store on the amount of its custom. The rules of the Society usually now provide that the *employés* of the society shall have divided among them, not less than  $\frac{1}{4}d.$  in the pound on the gross sales and one  $\frac{1}{2}d.$  in the pound upon the net profits—at the option of the committee. This is the recognition by the Store that labour has rights as well as trade; and gives the Store a claim upon the support of workmen and trade unionists. It can be done easily at first, because on the formation of a new store the members are disposed to be just.

3. Every new member joining a society promises to take in the *Co-operative News*, which is often supplied by the Educational Committee at  $\frac{1}{2}d.$  per week. Thus members are kept acquainted with the progress of the party to which they belong. In every business enterprise an organ giving information of its progress and prospects is readily bought by every one interested in the profits of the concern. Many Co-operative Societies lose money, or do not make half so much as they might, because they are ignorant of the experience and proceedings of other societies.

4. They resolve that when their profits increase beyond the needs of the Store they shall be employed in setting up a Co-operative workshop and in promoting profit-sharing. If they come to manufacture boots or garments, or set up a corn-mill, all who are employed share in the profits made. If not it is a mere capitalist mill.

5. They resolve to buy all they can from the Wholesale Society established by the movement, to secure the genuineness of all goods sold by local societies, who cannot

otherwise obtain, or guarantee to purchasers fair dealing, quality and purity, which can be depended upon.

What the founders of a society have to see to mainly is, to put those principles into the rules which preserve the honourable traditions and honest repute of Co-operation. If this is not done at first, it is not easy to do it afterwards; for members admitted into the society remain ignorant of what its proper objects are, and regard as innovations principles inseparable from the prosperity of the cause. There is no instance that any who at the first set apart  $2\frac{1}{2}$  per cent. of its profit for purposes of education, had cause to regret it; whereas, there is scarcely an instance of a society not doing it at first, whoever did it afterwards. Many societies who have no proper education fund, pay some tribute to intelligence by voting for it a sum of money at intervals; but this is often irregular and always uncertain, and the Intelligence Committee have to attend as suppliants to obtain a vote which deprives them of the enthusiasm and confidence which they would have if a permanent fund was at their disposal.

Any inquirer can understand now how a Store comes into existence, but if he wishes to understand the Co-operative system he has only to step into a Store and join it. It matters not whether the society is large or small, whether it possesses £50,000 of capital or only £50, the procedure is the same. On applying to become a member, he will then be told that the entrance-fee is one shilling and three-pence for a copy of the rules. He is then nominally a Co-operator. There is no person as yet in any Store who is appointed to give information to the new member as to the duties upon which he enters, and the principles he has to understand and to carry out, if upon reflection, he

approves of them. He will in time, if he continues a member, find them out himself. If he has joined an established Store, the Secretary will tell him a good deal, give him some of the excellent tracts and leaflets issued by the Central Board and Co-operative Guild, and apprise him that there are in addition *Congress Reports*, a *Manual*, *Working-men Co-operators*, a *History of the Rochdale Pioneers*, a *History of Co-operation in England*, *Self-Help One Hundred Years Ago*, and other works which show that Co-operation has had a past. The new member will be advised to attend monthly and quarterly meetings, and teas, festivals, entertainments, lectures and excursions, conducted by the Society. He will be asked to make it a point of duty to take in the *Co-operative News*, the organ of all the societies. From these sources the new member will pick up information enough to make him an intelligent Co-operator.

The majority of new members soon learn this much, but whether they understand or share the convictions which animated the founders of the movement, whether they care for Co-operation as an ethical force in commerce and social life, whether they have a moral dislike of competition, whether they regard the movement as intended to raise a class and establish equity in the workshop, as well as the Store, there is no one to inquire of the new member. Whether he can be depended upon to stand by the Store, and, as a Privy Councillor, swears "to withstand" all who would destroy it, no one knows. This is why the great body of Co-operators are often less consistent than they will be when they understand more. No movement is at its best all at once. The steam-engine was a very useful fixture long before it learned to run on rails, or plough its iron way over the sea. These pages will further explain the personal

qualities and convictions which Co-operation requires. It is wonderful how much Co-operators have accomplished with self-acquired knowledge, with no means save those they have earned and confronted at every step by hostile competitive forces

“Which  
Day and night for their destruction wait.”

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## CHAPTER V.

### EXTENT OF THE MOVEMENT.

ONE who heard Horace Greeley mention in a lecture the mammoth trees of California which he had surveyed, expected Greeley would tell something of the impression made upon him by the sight of these Methuselahs of the forest. Here were trees that has outlived a thousand human governments. Their limbs above his head were older than the pyramids. While man was emerging from barbarism to something like civilization, these trees were growing. Older than history, every one appeared to be a memory, a witness, and a prophecy. The same wind that filled the sails of the Argonauts had swayed these trees. Upon these subjects not a word was said. Instead, Greeley took his pencil, and after figuring awhile, remarked—“One of these trees, sawed into inch boards, would make more than 300,000 feet of lumber.” Greeley’s object was to show the commercial value of these famous trees, and he resisted the temptation to say something else. The purpose of this chapter is simply to show the extent of the Co-operative movement to-day, leaving to other chapters the discussion of the

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moral, social, and political significance inherent in it. The reader, if dissatisfied at the "lumber" view of the movement, will perhaps find exercise for imagination in the progress of the story.

The reader may see the extent of the Co-operative movement in 1890 by the following facts—

Societies	...	...	...	1,515
Members	..	...	...	1,054,996
Share Capital	...	...	...	<del>£</del> 11,199,934
Loan	„	...	...	£2,475,385
Reserve	„	...	...	£585,881
Annual Business	...	...	...	£40,225,406
Trade Expenses	...	...	...	£2,139,841
Profits for the year	...	...	...	£3,775,646
„ devoted to Education	...	...	...	£26,947
„ „ „ Charities	...	...	...	£10,929
„ „ „ Propaganda	...	...	...	<del>£4,206</del>

Lord Rosebery, in his inaugural address, at Glasgow, mentioned that "the Co-operative sales of 1889 and 1890 showed an increase at the rate of £2,000,000 a year. In twenty-six years the sales have amounted to the almost incredible sum of nearly £471,200,000, and the profits to nearly £40,000,000." The number of members of the societies, Lord Rosebery said, "were half as great again as the great army Napoleon led into Russia, and the capital of the movement was as great as the national debt of England in the reign of Queen Anne; and the Co-operative annual income was as great as the income of England during the reign of William III."

Lord Rosebery found<sup>1</sup> that the wealth of individual

<sup>1</sup> Speech at Glasgow Congress, 1890.



Stores was remarkable. "One society owns 350 cottages, and has spent £15,000 in one year in this direction. A Farming Association near Kirkintilloch leases 374 acres." Farms are held now in many parts of England, and some, as those belonging to the Blaydon-on-Tyne, Barnsley, and Shearness Stores, for instance, are of no mean extent. The business done at Stores equally imply extent and growth.

The annual sale in the drapery department of the Bolton Society commenced on Thursday, January 29th, 1891, the receipts being as follows:—Thursday, £1077 19s. 9d.; Friday, £503 18s. 3d.; Saturday, £918 os. 8½d.; Monday, £641 7s. 9d.; total for four first days, £3141 6s. 5½d.

The gain of the Rochdale Society in profit, with interest on invested profits combined, have exceeded £53,000 in one year. The two Oldham Societies make between them nearly £100,000 of profit yearly. The gentleman who should give £5000 to his neighbours, and give it yearly, would render them bankrupt in thanks. How much nobler it is for working-men to be able to give even larger sums to themselves! The man who gave £50,000 a year to a borough would be elected a member of Parliament, even if he were the greatest fool in the county. This seems a hard saying until we remember how many persons get elected, not because they have given £50,000, but because they happen to possess it, never according any share to labour, and never betraying any other capacity than that of so acquiring it.

The steps which have led to the results recited, have been remote and far apart, as a brief table will show.

#### A FEW OF THE EARLIER CO-OPERATIVE SOCIETIES.

1777. Govan.

1777. Birmingham.

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- 1794. Mongewell.
- 1795. Hull Anti-Mill Industrial Corn Mill.
- 1796. Barham Downs Corn Mill.
- 1797. Chislehurst Ladies' Corn Mill.
- 1800. Harrow, Church Store.
- 1800. Hanwell Vicarage Store.
- 1801. Whitby Union Corn Mill.
- 1806. Woolwich Mill.
- 1815. Davenport Mill.
- 1816. New Lanark Store.
- 1817. Sheerness Corn Mill.
- 1821. London Economic Printers.
- 1830. By this time 250 societies were in existence.
- 1834. First Women's Society formed.

At the time of the Society for Bettering the Condition and Increasing the Comforts of the Poor, founded by Dr. Shute Barrington (1795), of whom mention has been made, several Co-operative Societies were promoted by them,<sup>1</sup> which are not known to have continued long. A society is mentioned<sup>2</sup> as being in existence at Govan in 1777, where the Scottish Wholesale Society has its great manufacturing works; 1777 is the same year in which the first known Co-operative workshop was begun.<sup>3</sup>

The societies after 1816 were mostly incited by reports of proceedings at New Lanark. The Economic Society of London was formed by disciples of Owen, and subsequent societies arose out of Communistic inspiration.

In 1830 two hundred and fifty societies were reported at

<sup>1</sup> *Self-Help One Hundred Years Ago.*

<sup>2</sup> Acland and Jones's *Working-men Co-operators.*

<sup>3</sup> Dr. J. A. Langford, *Century of Birmingham Life.*

Congresses to be in existence. The *Economist* of 1821, an eloquent and enthusiastic little periodical, contributed to this result. Not less the *Co-operative Magazine* of 1826, and most of all the *Brighton Co-operator*, edited, indeed written, by Dr. King. Its great themes were retention of wealth in the hands of the industrious who created it in workshops; and the advocacy of communities showed such freshness of idea and fervour of exposition, as caused Co-operation to be regarded as a new Religion of Industry.

Mr. Owen published the wonderful success of Industrial Colonies in the Netherlands, and men heard of a new industrial medicine which had cured needy Dutch men of pauperism and many Hollanders of crime. It was believed to be an honest medicine which braced the muscles—a sort of industrial quinine. It might suit the English constitution better than the everlasting drastic of Poor Law relief, which lowers the tone of the system, and the Co-operators were for trying the new prescription.

In addition to the 1500 Stores which now exist, there are five federal corn mills—a federal mill is one set up by contributions of capital from several Stores in its district, whose corn is ground at the mill on the usual mill terms, and the profits divided among the shareholding Stores. In no case do working millers receive any share of the profits, which is not co-operative but capitalistic. Therefore, though these mills manufacture flour they are not to be counted as profit-sharing workshops.

The capital employed in corn-milling being large, and labour being performed by a comparatively few workmen, are given as a reason for according to labour nothing, though without the labour (which in a corn-mill shortens life) capital would get nothing.

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The increase of Co-operators shows how principle of self-help allures thinking men. Though the number in most counties is not great, it is greater than the sanguine reader will expect, as the following table shows:—

COUNTIES IN WHICH CO-OPERATORS EXCEED 10 PER CENT. OF THE POPULATION.

ENGLAND.			SCOTLAND.		
Counties.	Percentage.		Counties.	Percentage.	
Cheshire ...	...	13	Ayr ...	...	13
Cumberland ...	...	23	Caithness ...	...	12
Derby ...	...	19	Clackmannan ...	...	86
Durham ...	...	30	Dumbarton ...	...	22
Lancashire ...	...	24	Edinburgh ...	...	14
Leicester ...	...	17	Fife ...	...	23
Northampton ...	...	13	Forfar ...	...	27
Northumberland ...	...	22	Kinross ...	...	17
Notts ...	...	15	Linlithgow ...	...	31
Oxford ...	...	11	Peebles ...	...	15
Westmoreland ...	...	17	Perth ...	...	13
Yorkshire ...	...	27	Renfrew ...	...	16
			Roxburgh ...	...	20
			Selkirk ...	...	46
			Stirling ...	...	38

These tables show the proportion in 1882.<sup>1</sup> The ratio of co-operators to population is greater now.

In Wales and in Ireland no county has 10 per cent. Clackmannan is the only county where the opening for

<sup>1</sup> See Acland and Jones's *Working-men Co-operators*, p. 31, whose table also gives instances under 10 per cent.

new grocers' shops is not good. In all others the shopkeepers have—

“Ample verge and range enough  
The characters of—competition to trace.”

“Competition” spoils the metre of Collins, but not the sense.

The most notable features of the movement is the large Wholesale Society in Manchester, which is continually extending its colossal premises. It has two lofty imposing branches. The one in Lemon Street, Whitechapel, London, is a noble pile of buildings with a considerable cocoa manufactory on the opposite side of the street. In Newcastle-on-Tyne there is another extensive branch, while Scotland has an important Wholesale Society of its own, with noble branches at Leith.

The English Wholesale, the parent society, was set up as a buying agency for the Co-operative Societies. It purchases the produce of whole dairies, of tea plantations, of cheese factories. • It has an army of competent buyers in various parts of the world. Having the command of more than six or seven millions of ready-money, it can buy in large quantities at great advantage, and by employing analysts can secure commodities of purity and good quality.

The English Wholesale Society possess six steamships, chocolate, woollen cloths, buscuit, sweets, soap, boot and shoe works, and a corn-mill. It has 58 officers of departments and 3758 persons in its employ. It issues a handsome volume yearly, the *Wholesale Annual*, with illustrations of its many works and depôts, with statistical facts of its remarkable progress, and essays of great value on economic and public questions. •

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### TABLES SHOWING THE GROWTH OF THE ENGLISH AND SCOTTISH WHOLESALE SOCIETIES.

#### ENGLISH.

Years.	Sales.	Years.	Sales.
	£		£
1864 ...	51,857	Brought forward	15,562,523
1865 ...	120,754	1878 ...	2,705,625
1866 ...	175,489	1879 ...	2,645,331
1867 ...	331,744	1880 ...	3,339,681
1868 ...	412,240	1881 ...	3,574,095
1869 ...	507,217	1882 ...	4,038,238
1870 ...	677,734	1883 ...	4,546,889
1871 ...	758,764	1884 ...	4,675,371
1872 ...	1,153,132	1885 ...	4,793,151
1873 ...	1,636,950	1886 ...	5,223,179
1874 ...	1,964,829	1887 ...	5,713,235
1875 ...	2,247,395	1888 ...	6,200,074
1876 ...	2,697,366	1889 ...	7,028,994
1877 ...	2,827,052		

Total sales in 26 years (1864—1889) £70,146,336.

Total profits in 26 years (1864—1889) £901,670.<sup>1</sup>

An illustration of the Wholesale Societies' tea business, is the fact that recently (1890), on one day, duty was paid by the tea department on 188,869 lbs. of tea, the value of the cheque drawn for same being £4,733 10s. 6d. This is the largest single amount paid in one day in the

<sup>1</sup> See *Wholesale Society's Annual*, 1891, whose tables come down to 1889. The totals have increased since. The Scottish table is quoted from the same *Annual*.

## SCOTTISH.

Years.	Sales.	Years.	Sales.
	£		£
1868 ...	9,697	Brought forward	4,123,270
1869 ...	81,094	1880 ...	845,221
1870 ...	105,249	1881 ...	986,646
1871 ...	162,658	1882 ...	1,100,588
1872 ...	262,530	1883 ...	1,253,154
1873 ...	384,489	1884 ...	1,300,331
1874 ...	409,947	1885 ...	1,438,220
1875 ...	430,169	1886 ...	1,857,152
1876 ...	457,529	1887 ...	1,810,015
1877 ...	589,221	1888 ...	1,963,853
1878 ...	600,590	1889 ...	2,273,782
1879 ...	630,097	1890 ...	1,155,324
Total £20,107,567.		Total profits, £496,000.	

ordinary course of business by this society. The duty is 6*d.* per pound. The success of the Wholesale Societies' tea, coffee, and cocoa department continues. The sales for the first four weeks of the year, compared with the corresponding four weeks of 1890, show an increase of 254,114 lbs. in weight, or £13,631 in money value. The quantity of tea sold by the department since the reduction of the duty is 4,406,915 lbs., which, at 2*d.* per lb. reduction, shows a saving to the consumers of £36,724 5*s.* 10*d.* The English Wholesale Bank, of which Mr. Abraham Greenwood is cashier, reports a turn over of £24,646,541, 15*s.* 2*d.* for the year 1890.

The Scottish Wholesale has features equally notable and

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surprising. Its capital, which in 1868 was £1700, has increased to £526,000 in 1889. It possesses considerable portions of land, and large, well-devised, light, airy, healthy workshops at Shieldhall, near Govan, three splendid buildings in Glasgow, and noble branches at Leith, Kilmarnock, Dundee, Enniskillen (Ireland). It has 1578 employes. Those engaged in its distributive departments are paid a similar rate per £ on their wages, as is paid per £ on members' purchases. Besides, 6¼d. in the £ is paid on production.

The Annual Congress, of which twenty-two have been held, have had distinguished Presidents, members of Parliament, professors of Political Economy, peers and bishops. The Congress constitutes the Parliament of the movement, and now has more members than the House of Commons. Their influence on Co-operation resembles that of the British Association on science. When the Association for the Advancement of Science began, few foresaw any good in it. A few German men of science were known to be accustomed to meet and take tea together, and Prince Albert discerned that there was utility in bringing men of science together under any pretext. In 1841 invitations were issued by Professor Philipps, at that time curator of the Museum at York, to 300 or more persons of scientific pursuits or friendly thereto. No more came than formed a small tea-party in the professor's parlour. Yet out of that meeting the British Association grew and acquired influence in spite of the annual ridicule of the *Times*, which for thirty years wrote articles against it. Formerly men of science were found working in isolation, seeking discoveries which had already been made by others, as was soon known when they began to assemble together. In other cases solitary thinkers, who might have died unrecognized, re-



ceived plaudits and fame at the hands of their fellows—best qualified to give them praise—an enthusiasm for science was awakened and diffused in the outside public who annually have since assembled to listen to the communi-

## ANNUAL NATIONAL CONGRESSES.

Year.	Date of Opening.	Where Held.	First Day. Inaugural Address delivered by
1869	May 31	London: Society of Arts, John St., Adelphi	T. Hughes, M.P.
1870	June 6	Manchester: Memorial Hall ... ..	W. Morrison, M.P.
1871	April 10	Birmingham: Midland Institute ... ..	Hon. Auberon Herbert, M.P.
1872	" 1	Bolton: Co-operative Hall ... ..	T. Hughes, M.P.
1873	" 12	Newcastle: Mechanics' Institute ... ..	Joseph Cowen, jun.
1874	" 6	Halifax: Mechanics' Hall ... ..	Thos. Brassey, M.P.
1875	March 29	London: Co-operative Institute ... ..	Professor Thorold Rogers.
1876	April 17	Glasgow: Assembly-rooms, 138, Bath St. {	Professor Caird. <sup>1</sup>
1877	" 2	Leicester: Museum Hall ... ..	Professor Hodgson.
1878	" 22	Manchester: Co-operative Hall, Downing St.	Hon. Auberon Herbert.
1879	" 14	Gloucester: Corn Exchange ... ..	Marquis of Ripon.
1880	May 17	Newcastle-on-Tyne: Bath Lane Schoolroom	Professor Stuart.
1881	June 6	Leeds: Albert Hall ... ..	Bishop of Durham.
1882	May 29	Oxford: Town Hall ... ..	Lord Derby.
1883	" 14	Edinburgh: Oddfellows' Hall ... ..	Lord Reay.
1884	June 2	Derby: Lecture Hall, Wardwick ... ..	Right Hon. W. E. Baxter, M.P.
1885	May 25	Oldham: Co-operative Hall, King Street ...	Sedley Taylor.
1886	June 14	Plymouth: Guildhall ... ..	Mr. Lloyd Jones.
1887	May 30	Plymouth: Guildhall ... ..	Earl of Morley.
1888	" 21	Carlisle: Her Majesty's Theatre ... ..	G. J. Holyoake.
1889	June 10	Dewsbury: Industrial Hall ... ..	E. V. Neale
1890	May 26	Ipswich: Public Hall ... ..	Prof. A. Marshall.
		Glasgow: City Hall ... ..	Lord Rosebery.

cations of discoveries made. In the same way the Co-operative Congresses have accorded recognition and repute to scattered workers, who otherwise would have remained

<sup>1</sup> Professor Caird presided at this Congress; the opening address was delivered by Professor Hodgson. In all other cases the chairman for the day delivered the inaugural address.

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unknown and unencouraged. Local secretaries and presidents became aware that the movement was larger than their societies, and national attention was called to its growth and surprising progress, which otherwise would have been unregarded. Even delegates who thought "there was nothing in it" had their ideas extended and emulation awakened; and societies found the truth of the lines—

"How much a dunce who has been sent to roam  
Excels a dunce who has been kept at home."

Of late years there has arisen an annual Festival of Labour designed to promote productive Co-operation in flower and fruit culture, taste in design, and excellence in workmanship. These festivals, held in the Crystal Palace, originated in the enterprize and influence of Mr. Edward Owen Greening and officers of intelligence and enthusiasm associated with him. A choir composed of contingents of singers from various Co-operative Societies assembled in numbers exceeding 7000. Mr. Lewis Morris wrote for them a song of Labour, which was sung with great effect. The assembly of the public to witness the product of flowers, fruit, co-operative manufactures and workmanship last year, amounted to 32,000 persons. The entries of exhibitors exceeded 5000. The design of these exhibitions is to establish an annual Festival of Flowers and Labour. Industry has not been a very cheerful pursuit in England. The Festival of Labour was a happy and hopeful device which no other country presents. It is well to have one Outlook day in the year.

It does not appear to fall within the province or practice of any of our District or United Boards to make public report of anything save what happens to be recorded

in their minutes. The Co-operative Guild, which is charged with the special promotion of Co-operative ideas, is silent upon what transpires around it, whatever may be the hopeful portents to be observed. So far the movement may be said to have no *outside*. It is therefore necessary that a special confederation of the friends of Profit-sharing Labour should address itself to the outer world, and bring the subject before the outside public, as this National Festival has already done, in a conspicuous way. Publicity of all instances outside the organized movement is desirable, showing that the seed sown by the first pioneers is springing up in unexpected places. This encouragement is extended to those already within the Co-operative ranks, while by giving recognition and honour to all who attempt industrial partnership, others are induced to try the same plan.

There is also a Co-operative Guild of which Lord Ripon has been the President several years, notwithstanding the many public duties which devolve upon him. The origin of this Guild (1881) was owing to the genius for social service Mr. Hodgson Pratt has so often displayed in the cause of Working Men's Clubs, of Peace Associations, and other movements to which he has devoted his tireless energies. In England the Guild holds its Eleventh Anniversary this year, 1891. The present writer drew up a scheme of a Co-operative Guild at the Glasgow Congress of 1879. The proposal was signed by George Jacob Holyoake, Abraham Greenwood, William Nuttall, Joseph Smith, Edward Vansittart Neale, James Crabtree, James Marsden Percival, and Henry Whiley. The plan of this Guild included a Master, and defined certain degrees in which each member was to pass examinations. The intention was to produce propagandists,

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whose authority should be their efficiency. Two years later Mr. Hodgson Pratt, unaware of what had been proposed, originated the present Guild, which has attained success and usefulness of a different kind. It is the function of a Guild to represent the higher principles of a movement. The object of Co-operation is to conduct trade and labour without competition, fraud, or meanness, for the equitable advantage of all concerned in distribution or production. The pursuit of profit, however, becomes a passion in which gain possesses the mind to the forgetfulness of the conditions of honesty and equity, which alone make gain honourable. A Co-operative Guild is a body having the guardianship of Co-operative principle. The Spaniards have a great proverb which says :—" Knowledge itself may be dangerous unless good sense takes care of it." It is the moral business of a Guild to keep maxims of "good sense" operative in the Co-operative body. A Guild should maintain a beacon-light always burning, warning the Co-operative mariners off the rocks of competition and cupidity on which they may unawares run to their own destruction.

" In England the various Stores in the several sections have a practical federation among themselves, and district conferences are held quarterly in one town and then in another. In Scotland they have their Conference Association of the Societies mainly on a self-supporting basis.

The movement has been greatly extended by women. At Rochdale the Pioneers gave women votes and paid their savings in the Store to them and them alone, despite the claims of others which the law then permitted to despoil of their earnings. The rules of all societies now can legally state that a married woman may be a member and hold and dispose of her shares or other interest as if she were

unmarried, as is provided by the Married Women's Property Act, 1882.

Women have often saved a rickety and despairing Store. When dividends fall men generally begin to clear out. Women never do. Men flee a Store in a storm as rats do a sinking ship. But the ship rats cannot save the ship, while the Co-operative rats can. It is their running away which brings about the wreck. In memorable cases women have refused to run, and the Store has been saved by them.

Besides the *Co-operative News*, edited by Mr. Sam Bamford, which has a circulation of 40,000, and occasionally a much greater number, many of the more active societies issue a Co-operative record, journal, or magazine for local circulation containing well-written articles, with now and then a history of the society. A volume of instances might be composed from these narratives of romantic and, in some cases, of heroic persistence in which the rarer heroism of patience and devotion are exemplified. Industrial progress is different from other kinds. It requires conviction, sagacity, and courage. Stories of self-help, in which records of Co-operative progress abounds, exceed in interest the literature of personal adventure. Heroic exploit does not occur to many men often, and to the mass of men never; while the adventures of social progress go on day by day and night by night.

Co-operation is the subject of frequent articles in the reviews.<sup>1</sup> It appears in the definitions of great dictionaries. In school and class-books it has a place. Mr. Arnold Forster has given an admirable exposition of it in his

<sup>1</sup> In the *Westminster, Contemporary, Nineteenth Century, Fortnightly, Subjects of the Day, New Review, and Review of Reviews.*

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*Citizen Reader.* In Chambers's *New Cyclopædia* it is excellently explained, as in Cassell's *Encyclopædic Dictionary* and elsewhere.

In France, *L'Emancipation* of Nimes, edited by M. de Boyve; Italy, *La Co-operazione Italiana* of Milan, edited by Sig. Romussi; in America, the *Sociologie Co-operative News*, edited by Mrs. Imogene C. Fales; in Melbourne, there appears the *Australian Co-operative News*. These papers represent the Co-operative movement in those countries as do many other organs, as in Paris for instance. Prof. Vigano, in Italy, is the oldest and chief of Co-operative authors. In America, Gilman has published a book of mark on Profit-Sharing; in Boston the Rev. Edward Everett Hale, editor of *Lend a Hand*, has illustrated Co-operation by many bright volumes. In Canada, in Spain, Germany, Holland, Russia, and India, in professors and leaders of opinion, Co-operation has distinguished promoters. In addition to English and Scottish departments of organized Co-operation, Ireland has lately been added, and India will follow.

' Because Co-operative Societies frequently failed in the earlier years of the movement, they were supposed to be founded on some principle "contrary to human nature." All the while the majority of the failures were mainly owing to the want of legal protection. A Co-operative Society cannot attain prosperity without members, there cannot be members without confidence, and confidence in commerce cannot prevail without legal protection. In 1846 an officer of the Oddfellows' Society in London absconded with £500. A reward was offered for his apprehension, but he was in no danger. An officer of the Manchester Unity, a little later, took £4000 of the moneys of widows

and orphans. He was apprehended, but the magistrate dismissed him, it being lawful to rob a Friendly Society. Co-operative Stores were in the same position, and funds were often embezzled without redress. All this is now changed, and it is as perilous to rob a Co-operative Society as to rob a merchant's cash-box.

The Co-operative system is democratic. Store or workshop members elect the directors or managers. The Societies' Departmental Boards elect representatives upon a United Board of Delegates from all the branches, who constitute the Governing Body, which arranges Congresses, appoints Presidents, Parliamentary Committees, generally supervises the movement, and administers the enrolled laws of the Co-operative Union of all Societies. The General Secretary of the Societies was Mr. Edward Vansittart Neale, who has been the architect of the movement, giving it the benefit of his legal knowledge, counselling societies not only in method but in principle, holding up before them a lofty but always a practical ideal. Long ago Mr. Neale made princely sacrifices to promote Co-operative workshops, and the movement is indebted alike to his example and his wisdom.

Being a democracy, the doors of the movement are open to all who wish to benefit their condition, and improve the morality of commerce. Where all have an equal voice, wisdom and foolishness, timidity and cupidity, may in turn be in the ascendant, but all learn by experience. Despotic rule may be brighter, but those ruled are always duller. They may become fat like Christmas geese, but their necks are liable to be pulled at will. Democracy may blunder and advance slowly, but it keeps its head upon its shoulders and gets profitable ideas into it.

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The extension and unity of this movement has been, in important ways, owing to tolerance, independence, and prudence. Concurrence in opinion, political or religious, is not exacted from the members. The sole uniformity sought is the acceptance of co-operative principle and knowledge of consistent and practical methods of carrying it out. Every one has the liberty of making known better ideas, if he has them, for the advantage of the party. A bequest for founding an Orphanage has lately been offered by a member.

There are some good, well-meaning, earnest people who are of opinion that giving preference to your own views in which you do believe, over those of others in which you do not believe is intolerance. This is not good discernment.

Absolute belief in your own view of truth is *Sincerity*.

The belief that no one else can possibly be right is *Infallibility*.

The refusal to others of a chance of proving their own Truth is *Intolerance*.

Standing up for your own belief in Truth is not *Intolerance* but *Duty*.

Co-operators move slowly, because they are wisely solicitous to move surely. Some indeed are so desirous of not moving too rapidly that they do not move at all. Lord Napier of Magdala never went where there was danger. He stopped and investigated it, and if possible avoided it; if unavoidable, he "went for it." If a danger be in the way it can better be attacked by knowing all about the obstacle to be overcome. This is the practice of Co-operators.



## CHAPTER VI.

## THE STORE AS AN INSTITUTION.

A VILLAGE contains all the tragedy of the world. A Store has all the features of a town. It was Lord Rosebery who, with fine discernment, said at the Glasgow Congress, "Co-operation is a State within a State;" a phrase which I put upon the inner title-page, not because a lord has said it, not alone because it is the best thing a lord has said upon Co-operation, as because it indicates the precise ambition of early Co-operation to influence the State, cover the State, and eventually change the "system" prevailing in the State.

Co-operation, as it is known to-day, is of two kinds—one, as has been said, relates to the Store, the other to the workshop.

The object of the Store is by honesty and concert in trade to create capital for those who have none.

The object of the workshop is to supersede hired labour and mastership, by the establishment of profit-sharing among working-people.

The term Store was adopted from America, where in new settlements there is no special custom for shops, such as exist in towns, where the grocer's shop is confined to provisions for the household, the chemist's to drugs, or the tailor's to clothes. A settlement shop is general, and its demands miscellaneous. A settlement Store is a collection of food, medicines, hay, corn, garments, revolvers, powder, rum, photographs, tobacco, fire-irons, knives, chairs, and whatever a crowd of settlers may need. Like the famous

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Store of Timothy Tweezle, who mixed things on his sign-board, setting forth that he dealt in "ham, Testaments, and horse-beans, Bibles, barley, and butter, Evangelical books and treacle." A Co-operative shop grew in time into a Store of all things necessary for household consumption and use. At first they were confined to the sale of a few articles in the room of a cottage, or an old warehouse, until there was money saved on the sales to buy a larger stock and take larger premises. At length the Store becomes a self-managed market, with features of recreation and education.

In the Store pure goods are bought with ready-money wholesale, and sold for ready-money at ordinary market prices, and the profit made shared every quarter among the purchasers.

The purchaser at the Store, as has been said, need not pay more than his entrance fee of a shilling to enlist himself in the army of Co-operation, where he runs no risks and is sure of good pay. In the town where rent and rates are high, he may expect to receive back one shilling or one shilling and sixpence for every pound he expends in purchases. In the country, where rent and wages are lower, and readiness of customers to carry home their goods, the members may expect two shillings or even two shillings and sixpence in the pound. The number of £1 shares he may be required to hold is paid for him out of profits, on which shares he receives five per cent. interest; and the residue he can take or leave it to accumulate in the Profit Bank of the Store, of which mention has already been made in Chapter III. This is quite a new kind of bank. There is no such bank elsewhere. At other banks you must deposit money when you open an account. But the poorest person can open an account in a Store bank, which makes his money for him.

At the same time, the buyer at the Store has better provisions than he could obtain elsewhere. He lives no meaner than before, he makes no sacrifice, he has more independence, for he is no longer in debt. He owns himself. Nobody owns him, as those who are in debt are owned by some one else, and thus he grows rich in degree, like the capitalist, while he sleeps. Where else can the poor purchaser be so sure of the truth as to the nature of what he buys? In the laws of Co-operative Union of Societies it is written—

“*Each Applicant for Admission* shall be deemed by such application to accept as the principles by which all its business transactions should be guided—the desire to promote the practice of truthfulness, justice, and economy, in production and exchange—

“(1) By the abolition of all false dealing, either—

“(a) *Direct*, by representing any article produced or sold to be other than what it is known to the producer or vendor to be; or,

“(b) *Indirect*, by concealing from the purchaser any fact known to the vendor material to be known by the purchaser, to enable him to judge of the value of the article purchased :

“(2) By conciliating the conflicting interests of the capitalist, the worker, and the purchaser, through an equitable division among them of the fund commonly known as *Profit* :

“(3) By preventing the waste of labour now caused by unregulated competition.”

Were these rules compulsory on the shopkeepers, half the places of business in every town and street would be closed

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In an Indian city the English rulers planted a row of trees in the chief street to improve it, which, when the shopkeepers saw them, they begged the authorities to remove them, as they dare not cheat under their shadow, and the trees would ruin their trade. If these trees could be transplanted, and had the same honest efficacy here, shopkeepers might not own so candidly their objection, but many would raise an effective outcry against them. The object of Co-operation is to create Stores which can be trusted, where purchasers may buy without misgiving. Adulteration is so common in competitive shops that no one can depend on anything being genuine, neither clothes to wear, nor things to eat. Even the fish of the sea would be adulterated if they could be got at before they are caught. It is not to the purpose to say the deceitful dealer is sure to be found out. The majority of buyers are too ignorant of qualities to find out deception. Besides, in large towns it does not matter if the fraudulent dealer is found out. Everywhere houses are covered with placards, "Selling off at great loss." It means at a loss to the buyer. "Last week of sale"—"Last day of sale" appears in alluring letters. Yet if you pass the same shop three months or six months later the "Last Day" is still going on. Residents near know all about it and never enter the shop. It is the passengers in the streets, the visitors to the town, upon whom the "sellers off" live. Their customers are fresh every day. Those cheated cannot communicate with the next victims. It is therefore a public necessity that Co-operative Stores should exist, which the customer knows are pledged to honest dealing. The directors of Stores make this compact with the public—it is the claim they have on purchasers beyond private shops. The Store is a public shop opened in the public

interest, and every Co-operator who takes trouble to keep a Store open, and who assists it by his custom and stands by it on principle, is a benefactor of the public as well as of himself.

**A Store is a Guild.**—It differs from a shop in this—a shop only cares for your custom, a Store cares for your life—it saves money for you, and gives you knowledge and protection without being followed by loss, as is the case with other “protection.” It is not necessary that any one should make gain out of the labour of others, and where no profit is made (if no loss is incurred) the Co-operative workshops may benefit the members by affording them pleasanter employment, less mastership, and more independence.

The Store is a market where the sellers are the friends of the buyers as well as the servants of the buyers, who save the profit of the market for the purchasers in it.

A Store is a centre where the head of the household (the buying member of it) mostly goes daily, with the view of making household means go as far as possible. Self selling to self, means self-direction, thus the Store becomes a centre of thought as well as of trade. The Store is a self-managed market, and is made a place of recreation and instruction in its classes, monthly meetings, festive meetings, and lectures. But a market is a place where the poor spend money, and how can they spend money unless they have it? Cannot the same co-operative judgment which makes the Store market supply the market by producing the goods sold? Where does the money come from which is spent in the market, save from the wages of workers who produce the articles sold? Then why do not the makers of the market employ some of the makers of the things sold, giving an equitable share of the profit of the labour to

those who perform the labour, which now goes to make rich a few persons and keep poor the many? Then there would then be more money in the household to buy with, and more to save in the Store bank. Thus market-making and workshop-making, producing and consuming, make up the whole of industrial and social life, which can be (and is in many Stores) locally organized. With every Store a workshop of some kind could be annexed, and an example set which would extend Co-operative workshops.

It was the device of hiring capital of the shareholder at a fixed sum (five per cent. interest) and dividing profits with purchasers adopted in 1844 by the Rochdale Society, that gave vitality to Store Co-operation, and made the prosperity of the movement. A shrewd member, one Charles Howarth, was the apostle of the idea. Without his insistence upon the advantage of it, it would never have been put in operation. Now many societies lay claim to the origination of the plan. No doubt it was known and advocated in Glasgow by Alexander Campbell, a Socialist missionary. There are traditions of it elsewhere, but it was original with Rochdale, and it was their success in acting upon the plan which led to its adoption by all Co-operative Societies of the working-class. Formerly the shareholders took all the profit, and the customers had no interest in the welfare of the Store. There were great objections to the plan when Howarth first advocated it. Three societies had failed in Rochdale, and none made any profit. "What was the use," men asked, "in going through the farce of sharing profits with the customer when there are no profits? The plan would interest nobody." The objection was unanswerable, and was happily disregarded. There was no experience to show that the profit-sharing device would succeed,

and there was no experience against it. It had never been tried, and the Pioneers resolved to try it. They knew little of the Baconian philosophy, but they knew that experiment was a test of truth. They made the experiment, and thereby made the movement. If the early directors had seen that one day they might have £50,000 a year to distribute among purchasers, the difficulty of getting them to supersede the shareholding capitalist by the customer would have been as great with some, as it has proved later to induce directors elsewhere, to put profit-sharing in operation in the workshop.

Another form of Co-operation has grown up among the middle and upper classes, very useful in its way. It was of Rochdale inspiration, and began at the General Post Office, where Sir Rowland Hill, Mr. W. H. Ashurst, and other officials had knowledge of the Pioneer movement. Civil Service Supply Associations, or, as I have elsewhere described them, "London Co-operation," in contradistinction to "Rochdale Co-operation," were founded; the division of profits among customers is not followed, excepting in the cheapening of articles which constitute them "cheap selling stores." Profit is not saved for the consumer, no educational advantages are furnished, no social life cultivated, no social principle is asserted, and no elevation of the class of purchasers attempted. But in some of the older and better class Civil Service Supply Associations interest is taken in Co-operation. Co-operative workshops are assisted by their purchasers. Though the directors are not pledged, as in the Co-operative Society, to genuineness in goods, candour and fairness in trade, the directors, being gentlemen, do give attention to these things; besides, by adopting the Co-operative principle of ready-money trading, they

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teach the middle and upper classes to keep out of debt, who need the inducement as much as the poor. Some of the directors appear at our Congress, and have rendered generous support to some Co-operative proposals, and a friendliness subsists between both forms of Co-operation. Yet Rochdale Co-operation remains distinctively the self-helping movement of the working classes.

The Co-operative movement is the only one which gives its members anything to eat. The Temperance movement saves its adherents' money and increases their health. Political unions promote public liberty. Trades Unions afford protection to industry and augment wages, but all take money in the present, returning good only in the future. But the Co-operative movement takes nothing from you, and gives you money to a considerable amount, in return for good fellowship and good faith. At district meetings, conferences and congresses, the well-stocked Stores can always afford the hospitality of repasts. A Store is the only institution in which the more children a man has the richer he becomes—that is, if he is able to keep them—for his purchases at the Store being greater, the greater is his profit. The mother of a numerous family, who joined a Store from her own good discernment, found her profits so increased after a few years that she bought a house, and when a neighbour expressed surprise that she was able to do it, she said the explanation was easy—"her children being hearty had eaten her into the house." To many poor people it seems much better to join a Co-operative Store and be eaten *into* a house than by dealing elsewhere be eaten *out* of it.

Still there are vicissitudes in the conduct of the Store which educate members in discernment and patience. A



manager is appointed. Like General Booth, he complains that "a committee only hamper him, and that he can do much better than they." Members—often for private reasons of their own, sometimes through lack of experience—say, "Give him his head." At length the Committee do it. If the manager has a good "head" all goes well, but if he has a bad one trouble comes. He buys of local dealers; he says "he can get things so much cheaper." He fills the Store with cheap unsaleable things, upon which he gets a private commission in kind, or friendly presents at home, or gifts of money then or later. There may be no direct transaction, but there is an "understanding" of what Fair Traders call "reciprocity." The quality of the dealers goods is bad. Discontent arises among the members. The manager who has been given "his head" runs the Store into debt. Greedy for illicit gain, he gives orders in advance. He makes hay while he has his "head." It is incredible what audacity is then displayed. Large stocks of scents, sponges, and other things never in demand at the Store will be laid in. The shelves will be laden with unwholesome glucose jam, which, when the weekly sales fall off, the crafty manager suggests that the prices are "too low" and raises them upon inferior goods. The Store has sunk into a mere shop. Long after the Committee have got their "heads" again, and the manager is dismissed, goods known to be inferior and unsaleable (save at great loss) keep coming in. The manager has ordered them, and the Store must pay for them. Sales having decreased, there is no money to meet the bills. The tradesmen see a chance of breaking up the Store which is discredited by debt—debt being contrary to the profession and purpose of Co-operation. Payment or custom is demanded, and

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Committees linger, tied to the dealer until they can free themselves by aid of the members.

A traitorous manager may in other ways than those described here damage a Store. Sometimes he plots to discredit it, to alienate members with no more Co-operative principle than himself, when he sets up a rival shop, getting favourable terms from dealers in reward for his treachery, and if he fails, he can get employment from these. Nevertheless, if the members of a Store who do understand and care for Co-operative principle hold together, they are sure to acquire new adherents in the place of the seceders. A Store may be harmed for a time, but can never be destroyed, if a few true Co-operators stand by it.

On the other hand, the fortunes of a Store is much oftener made by a manager than destroyed by one. The wisdom of a Committee is shown in making the place of a good manager pleasant to him. As Mr. J. S. Mill, who gave attention to these things, said—"Next to having a bad servant the misfortune is to have a good one and not to know it." A working-man committee is apt to be suspicious and to begrudge a better salary than they have to one of their own order, who has more ability than they have. But experience soon teaches workmen, as it teaches all men of business, that that service is cheapest which is best—that a low salary may mean ruin, while a higher one may mean prosperity; since a manager is in hourly contact with all the members, and by courtesy, urbanity, and good information can animate the society and increase the membership of a Store.

Astute tradesmen can break up a society of ignorant members who are incapable of appreciating the lessons of experience from the failure of others. The tradesman

knowing that a Co-operative Society is democratic, and that any one may enter it on payment of one shilling, they can send in members to vote for an unscrupulous manager, or sustain him if already behind the counter, and to decry buying at the Wholesale Society. Even the Secretary will play the part of the enemy and do this, and induce some of the Committee also to speak against the Wholesale Society at quarterly meetings.

Another scheme of tradesmen is to arrange with a dozen shops situated adjacent to the Store, each to select one article to be sold at cost price or less, so that an observing Co-operator, looking about, would soon see that if he went from shop to shop, he would be able to buy most commodities he wanted at less than an honest Store could supply them. One grocer has been known to offer cheese at a penny a pound, and another to offer two pounds for three half-pence. Those who buy at these prices know it is a dishonest transaction, and that the Store cannot do business on such terms. Still many say dishonesty in others is no affair of theirs, which proves, when they connived at it, that seller and buyer are both thieves at heart. In the meantime, the Store loses a cheese buyer, and as often as members purchase anything elsewhere which they can get at the Store, the profit and dividends of the Store fall. If the conspiracy of tradesmen succeed, and the Store bursts up, then the dealers dance, and notice goes to the *Grocer* and the local papers that "Co-operation is a failure."

All tradesmen are not of the class described. Co-operation has often been indebted to their advice, assistance, and friendship. But the tone in which their trade organs speak of Stores, the attempts they make to get Co-operators

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dismissed from employment—from their situations in the railway service and civil service, and get Parliamentary Committees appointed in the hope they may report against Co-operation—the way in which they vote against any Parliamentary candidate favourable to the Co-operative movement, show that tradesmen and manufacturers are more or less a hostile force arrayed against honest Co-operative trade. The Co-operator and the tradesmen represent two systems in natural conflict, and Co-operators must stand on the defensive and keep watch and ward upon assailants.

One of the difficulties of the earlier Stores was to find persons who knew what to buy and how to buy it, which implies special qualification which is not common. A Dutch proverb says—"Who buys wants a hundred eyes. Who sells needs but one." When a Store manager goes into the market of his district, he is exposed to continual temptation of gifts from the seller, and must have unusual virtue if he resists them. The Wholesale Society has an army of trained buyers, and a Co-operative Store has only to buy from the Wholesale, who guarantee the quality of their goods. Then the manager is protected from opportunities which always expose him to suspicion. A manager who wishes to keep himself above suspicion will buy from the Wholesale all he can. There remain other opportunities of serving the members of the Store which only a manager who has Co-operative principle in him has the sagacity to discern and the will to use.

Every Store manager should ask when any goods come into his care, whether the producer had any profit in his work. He could then consistently recommend them.

Every Store manager should ask when any goods are submitted to him, whether there was profit-sharing in the

shop, or mill, or farm, whence they came. If not, he should give preference to goods, of equal quality, produced under equitable conditions, if there are any to be had.

A purchaser at the Store should look for excellence first and price second. He should make excellence the measure of price, and not price the measure of excellence.

It is no mean merit of the Store that it is the place where purity of provisions and honest quality in goods can be had more certainly than elsewhere. To the mother of a family this is a great consideration, as the health of her children depend greatly upon it. Disease comes by impure and innutritious food. That means doctors' bills, and the saving of these is a portion of the profit in the household of the Co-operator. Before Co-operative Stores arose, the stomachs of the poor were treated as the waste-paper basket of the State, into which was thrown the inferior kinds of food, which their betters prudently declined to eat. The Stores have educated the taste of the poor, who now have better food than the middle class had, and know the flavour of it better than the middle class did a quarter of a century ago, or did when Stores began. Several Stores were nearly broken up when they first began to sell unadulterated food. The members did not know it when they saw it; they neither liked the colour of it nor the taste of it, and the Stores were in danger of losing their custom while members were acquiring practical knowledge. The Store manager, like another famous manager (Lord Beaconsfield) has often "to educate his party."

Another considerable advantage of dealing at the Store, which is insufficiently estimated, is the time and anxiety saved to purchasers who have only to make up their mind what they want—they can trust it when they get it. Whereas,

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in dealing at competitive shops, they wander from street to street, calculating variations in price and quality with daily solicitude and loss of time. If social truths found their way to tombstones, we should read many inscriptions to the following effect—

Here Lies,

A "Practical" man of Business.

Who had an eye to the "main chance"—  
which was always open.

*His heroic life was an incessant contest*

With his Butcher and his Buttermilk, his Baker and Draper.

He died through premature exhaustion

In trying to avoid being Poisoned or Cheated.

*Had he been a Member of a Co-operative Store,*

He might have had leisure for self-improvement,

Excelled in some useful Pursuit,

And achieved Distinction and Easy Competence.

As it was, he, like so many Others,

*Perished Ingloriously.*

THE VIGILANT FOOL OF COMPETITION.

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## CHAPTER VII.

### ECONOMY OF CO-OPERATION.

CO-OPERATION, as the previous chapter shows, is an invention for acquiring money without saving it, or working for it, or stealing it, or borrowing it, or begging it.

An old Spaniard remarked that "three helping one another will do as much as six singly." Not only will the three helping each other do more work, but in a Co-operative Store they will make more profit. One hundred persons dealing at a Store will make more profit than 300 will make

dealing elsewhere. Experience among the poorer classes show that of 300 dealing at private shops, 150 will not be a penny the richer at the year's end, and the other 150 will be in debt; while the 100 dealing at a good average Store will possess £500 if they spend £1 a week, and £250 if they spend only 10s. a week.

Within a radius of a quarter of a mile around any Store in a town there will be 100 shops.

A store of modern dimensions will do all the business of these 100 ordinary shops, which involves the cost of 100 sets of shop-fittings, the payment of 100 rents, 100 sets of taxes, 100 gas-jets, 200 shopmen and assistants (who must be in attendance on and off to serve), and 100 fires half the year if the goods are to be kept at a wholesome temperature, making, with 200 advertisements, if each shop had only two a year, 900 charges to be met by the shopkeepers; while in a Store 20 sets of fittings, 10 house rents (which would be as large an amount as need be incurred), 10 sets of taxes, 20 gas-jets, 20 serving-men, six fires, and no advertisements would supply the wants of all the customers of these shops, 86 charges only being incurred by the Store, thus saving the cost of 80 sets of shop fittings, the payment of 90 rents, of 90 sets of taxes, of 80 gas-jets, of 180 shopmen, of 94 fires, and 200 advertisements, a saving of 614 charges, making what we call the economy of Co-operation. These facts are shown in Table on next page.

Not in all, but in many cases these degrees of economy are true. The shopkeeper is wrong when he thinks that Stores rob him of his profits, since the Store make savings by economies impossible to him. The Stores make profits which the shopkeepers do not lose. Besides, there are other advantages which belong to the Store and not to tradesmen

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as a rule. The store buys with ready-money, and therefore buys more advantageously. It has no loss by clerkage, by keeping credit accounts, and has no losses by bad debts.

EXPENSES OF 100 SHOPS AND ONE STORE COMPARED.

Shop Expenses.	Store Expenses.	Savings in the Store.
100 Fittings.	20 Fittings.	80 Fittings.
100 Rents.	20 Rents.	80 Rents.
100 Taxes.	20 Taxes.	80 Taxes.
100 Gas-jets.	20 Gas-jets.	80 Gas-jets.
100 Shopmen.	20 Shopmen.	80 Shopmen.
100 Fires.	10 Fires.	90 Fires.
100 Advertisements.		100 Advertisements.
700 Shop charges.	110 Store charges.	590 Charges saved.

To any who think these results of economy are overstated, have only to notice that in working-class districts every 4000 poor families pay the enormous and needless sum of £10,000 a year to local shopkeepers. Any who doubt this have only to look in the Registrar-General's reports, and he will find many instances of Stores having 4000 members who make £10,000, £12,000, and, in one case, £14,000 of profit. Every 100 persons buying at a 2s. dividend Store to the extent of only 10s. a week receive back on the average £250. Every 400 such members receive back £1000, every 4000 members of a Store receive annually £10,000, not in crockery ware that won't lie still on the table, or tin saucepans with holes in them, but in the King's gold and silver. It may be assumed that 100 shops earn on an average £2 a week or £100 a year; thus the 100 shops would earn £10,000 a year.



Thus it is evident that every 4000 poor families in a town actually pay £10,000 a year for having their humble purchases handed to them over a counter. By becoming members of Stores they save this £4000 instead of paying it away.

Mr. William Nuttall, a well-informed and statistical co-operator, gave the following estimate of the economical results of Co-operative Stores made 30 years ago—

The profit of the Retail Stores is found from twenty years' experience to be about 10 per cent. on the sales, after paying capital 5 per cent. for its use. So that thousands of families spending but £1 per week on food and clothing, are now saving £5 per annum. In fact, scores of working-men with large families in the borough of Oldham—and this borough is no exception—find at the end of, say eight years, sums to their credit amounting to £100, £150, and even £200.

The following is a list of dividends paid to twenty members of the Oldham Equitable Co-operative Society, collected from the dividend accounts for nine years—

1. ... £81 in $8\frac{3}{4}$ years.	11. ... £106 in $8\frac{3}{4}$ years.
2. ... 86 „ $8\frac{3}{4}$ „	12. ... 115 „ $8\frac{3}{4}$ „
3. ... 88 „ $8\frac{3}{4}$ „	13. ... 127 „ $7\frac{1}{2}$ „
4. ... 93 „ $6\frac{3}{4}$ „	14. ... 135 „ $8\frac{3}{4}$ „
5. ... 94 „ $8\frac{3}{4}$ „	15. ... 167 „ $8\frac{3}{4}$ „
6. ... 96 „ $8\frac{3}{4}$ „	16. ... 174 „ $6\frac{1}{2}$ „
7. ... 99 „ $8\frac{3}{4}$ „	17. ... 195 „ $8\frac{3}{4}$ „
8. ... 103 „ $7\frac{3}{4}$ „	18. ... 202 „ $8\frac{3}{4}$ „
9. ... 105 „ $8\frac{3}{4}$ „	19. ... 230 „ $8\frac{3}{4}$ „
10. ... 105 „ $8\frac{3}{4}$ „	20. ... 229 „ $8\frac{1}{4}$ „

The total profits realized by 20 members in  $8\frac{3}{4}$  years is £2603, being an average of £130 3s. per member.

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The profits realized from the Retail Store alone when re-invested in the Store at 5 per cent., will of course double every 14 years. If allowed to remain for 20 years, it would employ every member of the Store in Co-operative production.

Several years ago it was found that Co-operation in Leicester had enabled its members to draw out of the profit bank £135,000 more than they had paid in, and they still had £79,000 left to their credit. But instances quite as remarkable and even more surprising might be stated through a hundred pages.

Referring to the fact that a net profit of £11,751 has been made during the quarter (1891), the Committee of the Oldham Equitable Society draw attention to the benefits of liberal depreciation, as follows:—"These are great profits; they are not made by charging more than our neighbours, but are the result of wise and extensive depreciation in the past, which has lessened the expenses, and of the low prices we are enabled to buy at through purchasing largely and paying ready money. That past depreciation has the ~~effect~~ ascribed to it above we may demonstrate from the coal department. If we had had to pay wagon hire on what our own wagons have carried during the quarter, we should have had to pay £67 8s., whereas the sole charge is the £3 depreciation shown in the distributive expenses account."

This is a practical illustration of Store economy. There is another large society in Oldham—the Industrial—which presents equally instructive results.

Numbers increase the gains of the Store, and those gains are often increased by thoughtful outsiders. Some of the middle class give generous support to the Stores from

regard to the interest of their poorer neighbours. Housekeepers who have money at hand can go about and buy cheap things, which the Stores have made cheap, or which shopkeepers have cheapened to allure customers from the Store. Instead of buying in such way many considerate housekeepers will buy what they can at the Store to increase its prosperity. They know that the poor who go to shops for credit have to pay much more than others for inferior things. It is good feeling therefore in those able to buy where they please to set the encouragement of example to their poorer neighbours to buy at the Stores.

It is the merit of Co-operation that every member is taught to see that the profit of the Store depends upon economy in management, and this knowledge is conducive to an intelligent interest in economy in public affairs. It is conducive to an intelligent impatience of taxation. People in high stations lecture the so-called "lower classes" on the duty of thrift and economy. Yet what sort of economy do the wealthy practice? They rule in this country, yet every now and then war is declared; few know wherefore. Thus the tills of the shopkeepers are emptied, the wages of the working-men decreased, and the profits of the manufacturers swept away, to provide new funds to be wasted in destroying wealth. We have permanent war in Ireland; and we spend, all told, £10,000,000 to prevent the Irish people taking care of themselves. Co-operation teaches economy, and the more economy is impressed upon the people, the more they are disinclined to countenance any wanton expenditure of public money. Lord Derby estimates that the people of Europe are paying some £160,000,000 or more every year as interest upon their national debts; and that England pays

£20,000,000 in this way. Every one who pays taxes has to work to pay this enormous interest upon debts contracted without their knowledge or consent, and certainly not to their advantage. How can economy be inculcated in the poor efficiently, with the example of a nation going into debt and keeping in debt. A society for promoting thrift is an imposture, unless it is against the national debt. To a co-operator debt is discredit where there are means of paying, and fraud where there are none.

Mr. John Morley, speaking at a meeting for promoting University Extension Lectures, lately said—"Bad political ideas a nation might recover from, but bad economic ideas might strike at the very root of national prosperity." Cicero said, "Economy is a great revenue." It is in States, and a good revenue in the household.

The sentiment of economy promotes savings wherever opportunity occurs. The late Rev. Hugh Stowell Brown once wrote—"To-day I met a Scotchman who very kindly, and without solicitation, said he would give five pounds towards our Home Mission for Bible Women. We parted. He followed me, overtook me, and said, 'I have it about me, and I may as well give it now as send it—it will save me a stump.'"

I remember reading when a boy, in an old *Methodist Magazine*, that two persons went to Mr. Rabone, a merchant in Broad Street, Birmingham, to ask a subscription for a missionary society. Having to wait in an inner room till Mr. Rabone could be seen, they heard him scolding a youth for having wasted a match by lighting it needlessly. The visitors, seeking a subscription, concluded that a man who was so careful of matches would give them nothing. To their surprise he gave them £10. Whereupon they told

him of their misgiving, after what they had heard him say ; when he answered, "If he had not taken care of small things, he should not have had £10 to have given them."

The question of economy, co-operative and public, has been stated by Mr. Ruskin as no one else has stated it, who says—

"The simplest and clearest definition of economy, whether public or private, means the wise management of labour ; and it means this mainly in three senses : first, in *applying* your labour rationally ; secondly, in *preserving* its produce carefully ; lastly, *distributing* its produce seasonably."

Without economy there could be no Co-operation, and without distribution of profits Co-operation would not be worth much. •

As co-operators think as well as save (and save because they think), they come to see, as George Henry Lewes explained, that "in art simplicity is economy not meagreness ;" as Walter Savage Landor said, "the greatest captain is he who conquers with the fewest men, and the greatest orator is he who convinces with the fewest words."

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## CHAPTER VIII.

### HONESTY IN BUSINESS.

THE aim of those Co-operators who best knew their business was to find or create that situation in which it should be impossible for a man to be depraved or poor. There was no way open to them by which they could hope to do much in this direction, save some readjustment of

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the conditions of social life. Many are ready to tell mankind *what* they should do, fewer to tell them *why* they should do right, and fewer still to tell them *how* to do it—which is far more difficult.

In our Universities moral precepts are taught in every tongue, yet neither theologically nor politically are they who have had such advantages ethically conspicuous in after life, because they do not find professional life much adapted to the practice of moral precepts. This is because society does not recognize that morality has material conditions. Sacred motives have their place and power. Nevertheless, philosopher or divine without a meal, will think more of his dinner than his principles. After a few days at sea, foodless in an open boat, a vegetarian will reconcile himself to devouring his grandmother.

Debt is an open door where any may enter who seek indulgence without the effort of industry or forethought. If the man who invented credit among poor purchasers knew the humiliation and fraud he was imposing upon them, if his body could be found, a warning stone ought to be placed over his pernicious remains. Co-operators in superseding debt do not confine themselves to precept, but devise means which makes independence possible. There is no surer way of teaching thrift than by opening a Profit bank, and paying in money to the credit of those you wish should save. Parents who destroy the healthy constitutions of children by perniciously inferior food, do as assuredly kill them as though they poisoned them outright. But what is the good of cautioning the poor not to do this, unless you provide a Store where they can obtain provision free from this danger.

The social state is now one of fierce competition. It is

as vain to counsel goodwill under these conditions, as it would be to exhort men to love one another in a free fight. There can be no fraternity between the pickpocket and the man who has lost his purse. The Co-operator promotes goodwill by enabling each to find his own interest in furthering that of others. He seeks to promote honesty in trade by making it possible.

Mr. Ruskin tells us that the first commercial words of Venice which he discovered were in her first church, St. James on the Rialto, where he read the ninth century inscription—"Around this Temple let the merchant's law be just, his weights true, and his contracts guileless." This is the oldest and best co-operative motto known, but it is only under some form of Co-operation that it is ever likely to be acted upon.

The merit of Co-operation is that it shows that honesty pays. Unless this can be proved it will never be practised, nor will it endure until a state of society is instituted in which dishonesty cannot pay.

There are people who believe that Honesty is most admirable, and yet are afraid to try it. Secretly they think this is a rascal world, in which knaves succeed. They believe in a devil theory of life. They assume that the devil has the upper hand in human affairs. At the same time they know that honesty is the salt of the social world, which preserves it from putrefaction and keeps it fresh. So they practise a little honesty and a little fraud, and think the mixture the safe thing. Hence arises a sect of commercial amphibians, who like the alligator can live on the land or in the water—either on the firm earth of honesty or in the deep and dirty puddles of respectable rascality. If a man took as much trouble to be honest as he must

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take to be a knave, he would find that honesty pays better than roguery.

The mistake well-disposed people make is that they think being honest is enough. They do not know that nothing stands alone. Neither Truth, nor Justice, nor Love, nor Honesty can be successful except under common sense conditions.

Josh Billings, an American humourist, who always put instruction in his merriment, quite understood that honesty had its conditions. One day he was asked to write a line in an album in which some one had written the line from Shakespearc—

“Thrice is he armed who hath his quarrel just ;”

under which Billings wrote—

“And four times he who gets his blow in fust.”

Take notice, however, that if you have no armour yourself—save justice—your adversary in steel will soon do for you, notwithstanding his unsatisfactory conscience. If two adversaries fight, it is better that both be “locked up in steel,” then the difference in conscience will have a chance of telling, and the honest man may fight with more spirit than he “whose conscience with injustice is corrupted.”

The conditions being tolerably equal, the advantage is on the side of honesty. Public opinion is in favour of it—private respect is paid to it—even the knave knows honesty is a force. Every man bears testimony to it since no one will own himself to be a rascal, except under strong compulsion. Thus an honest man who takes care to properly qualify himself can give a scoundrel some points and beat him.



Nobody supposes that a man can be an effective soldier because he has courage, unless he has health, knowledge of arms, and training in their use. Mere voice will not make an actor, nor a singer, nor good wind a cornet player, nor nimble fingers a pianist without training. A man may have a strong arm, but he will be swamped in a boat unless he has learned the use of the oar.

In the prize ring men as a rule are pitted, as far as possible, of the same size and weight. At Epsom jockeys are handicapped, so as to equalize the weight the horses have to bear. Where contests occur without condition there is a secret calculation of equality, as when stamina is thought to be equal to strength, or when in pugilism science is thought to be a match for size. It is only in contests between honesty and knavery that no attention is paid to equality of conditions between the combatants.

Yet there are people who never discover that honesty needs training. Nevertheless they often see that splendid courage will destroy itself without prudence. All the while it never occurs to them that honesty cannot achieve pecuniary success unless accompanied by prudence, economy, business sense, and as much skill, contrivance, and forethought as the knave displays. Let a man add honesty to industry and perseverance and common sense, and his prosperity will exceed that of the best knave going.

It requires a good deal of demonstration to convince new Co-operators that honesty is good policy amid the competition of underselling and the popularity of nastiness, if it be disguised as cheapness. When a young Store thinks its success lies this way, it soon loses itself, and we have to remind it of the inscription on the seal of the Mogul Sultan Aibar—"No man is ever lost on a straight

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road." When they diverge and perish they say the competition of the town is too much for them, as officers out in India drink and die, and when the end is near write home and blame the climate.

It is needful to have regard to the forgotten saying of the Earl of Essex—"Genius is only entitled to respect when it promotes the peace and improves the happiness of mankind." Those who think they can see a scoundrel road to success are oft deceived. All Buonaparte's genius and power could not keep a liar on the throne after he was known to be one. A greater conqueror than Alexander, Napoleon, perished because he was not honest. His descendant might have sat on the throne of the Cæsars had he not thought that a lie was profitable. In Co-operation you must look to the quality of honesty. The inquisitor, the tyrant, the conqueror, the Thug, may be honest. Strafford was honest. Marat made honesty infamous. Robespierre was honest, who made honesty terrible, whose speeches read like murder, whose sentences dripped with blood. Those who extol genius should be sure that it is well employed. If ill-employed accord it small admiration and unlimited contempt.

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## CHAPTER IX.

### INTELLIGENCE A CO-OPERATIVE INVESTMENT.

EVEN honesty in the Store, the corner-stone of co-operative reputation, consists in knowing what you sell, and in not deceiving the purchaser in quality or quantity. This form of honesty is only possible with practical knowledge.

It is good that store directors should see what Mechanic Institutions, or Athenæum classes, or Art Schools, Free Libraries and Free News-rooms, or other means of instruction, exist in the neighbourhood of the Store, and encourage the young people members of store-dealing families to attend them. Where such means are insufficient or absent, there are now good opportunities to establish science and language classes in connection with University Extension Lectures, Home Reading Unions, and other devices for promoting general knowledge among young people—for the more intelligent the next generation is, the better it will be for co-operation and the discovery of new applications of it. Some one has said, "to add a library to a house is to give that house a soul." A good relevant library is not less the soul of a Store, which without knowledge is dead. "Zeal" itself "without knowledge, is as fire without light."

Distinctly co-operative education—among other things not generally counted—consists in reasons for association, causes of character and conduct, grounds of good feeling, amity, courtesy, and deference. In the Civil Service no one is examined in civility: In Co-operation it is indispensable. "Temper," said a wise bishop, "is nine-tenths of Christianity." It is not less in administrative Co-operation. The nature of co-operative principle, consistency of principle in the Store and the workshop—knowledge of the qualities of provisions, texture of fabrics, signs of workmanship, are scarcely less important subjects. Many buyers from the Store do not know good food, and do not like it when they taste it—their taste never having been educated in purity. Complaints are made against store food, often arising from ignorance of cooking. In the same way shoddy fabrics are mistaken for genuine, because buyers are not

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instructed. Trade Unionists strike against bad wages—they have never yet struck against doing bad work and making up bad materials. But co-operators who profess honest principles and obtain credit for improving society, are under obligations of honesty and good work. The Spanish have a wise proverb: "If fools went not to market, bad wares would not be sold."

In many other respects, and in many other ways, as the reader will see for himself, special co-operative education is a wide one. The Store being an institution, a microcosm of the society, it needs a library of books on Association, containing all histories, and all articles and publications relating thereto; they are inseparable from an Institute. A News-room is a daily necessity, and a Conversation-room enables questions to be discussed and understood before they come up for decision at quarterly meetings.

An Intelligence Fund is indispensable if co-operative progress is to be made. Many excellent ideas never travel because there are no means to pay their fare. From the beginning it has always been the rule that interest and intelligence are the two trade charges in every Co-operative Society, as the inevitable conditions of its business progress. This was so well understood in pre-Rochdale days that the *Co-operative Magazines* adopted as a motto—

"Numbers without union are powerless, and union without knowledge is useless."

The value of union animated by intelligence has never been more happily expressed. It was understanding this that led to the conviction in every Store that understood its business—that a portion of the profits, amounting to 2½ per cent., should be set apart for educational purposes. Store managers soon came to understand the proof of the German

proverb that "misunderstanding brings lies to town." Stupidity is a common carrier of error, and accurate information is the only means of maintaining satisfaction in a Store. An observant district secretary, Mr. Fooks of Sheerness, on one occasion said that "the most ignorant member was apt to be the most suspicious, and the most suspicious member of a society was the least suggestive" when difficulties had to be overcome.

The uses of an Educational Fund to a store are infinite. Few people understand a new idea at once, and fewer see the importance of a sound one. We had public experience of this in the endeavour to repeal the Railway Travelling Tax. Though that tax had long been levied upon the working-people of England, there were not ten people in a hundred who knew that they were taxed for going about. Yet in this country, the first commercial nation of the earth, the tax had been in force for forty years, and working-people travelling by railway were taxed for doing so to the amount of upwards of £400,000 at the time of its repeal. If a sailor arriving at Liverpool after a long voyage went down to Glasgow to see his mother, the government at the railway station took out of his pocket 1s. 6d. as a tax on his filial affection. Sir Robert Peel in his day said it was with a sense of humiliation that he proposed the continuation of that tax; yet it was levied until Mr. Childers became Chancellor of the Exchequer. Chancellors with a conscience recognizable in public affairs have been scarce since Mr. Gladstone held that office. It is thought that if people would have intelligence about anything, it would be when money was taken out of their pockets at every railway station—but it took seven years to make working-men understand this was being done. Mr. Childers con-

siderately repealed the tax upon third-class fares which affected working-men, but retained the tax on first and second-class fares. This falling upon what are called the more intelligent classes, it will take fourteen years to make them understand that this scandal upon commerce should be terminated. If it takes so much time and trouble to teach people when they are taxed, what must it take to educate them in a new principle of industrial life?

It is necessary for co-operators to promote education of that kind which is of immediate use in daily life, education in the art of association, and all honest methods of resisting limitations of their humble fortunes. The education within the means of a Store to give may be far from perfection, but approximate knowledge is better than approximate ignorance.

Co-operators are concerned for the diffusion of their principles, because the more persons there are who understand them, the more members will be attracted to their store: then the more business will be done, and the more profit will be made for each person connected with it. In competition it is not the interest of a dealer or manufacturer that other persons should set up in the same business, but it is the interest of any store in one town, that branches should be set up where needed—because then there are more buying provisions and goods from the Wholesale Society. And as the Wholesale Society Directors buy for all the stores, the more money they can take into the great markets of the world, the better they are able to buy the best produce and buy it cheaper—thus serving each store which deals with them better, and making more profit for it. Thus Co-operation is essentially propagandist. What money it expends in promoting the education of its

members, and in giving co-operative information to the outside public, is a good investment, and pays a good interest. Co-operation being honest, its trade is an open trade; it has no secrets because it takes no advantage of any one. It cheats no one; it is engaged in no fraud, and therefore it has nothing to conceal. Openness is a sign of conscious honesty, and a source of public confidence. It is therefore the interest of co-operators to go before the public and explain its methods of business. The motto of Co-operation is "the more publicity the more prosperity."

One form of instruction—book-keeping—not much given in ordinary working-class associations, is a necessity in stores. Co-operative societies issue quarterly balance-sheets. This continual publication of the position of the society, its business, its mode of disposing of its profits, its gain or loss, enables members to know exactly how the society stands. But all members of a Store do not understand the construction of balance-sheets. Book-keeping is not a common attainment of the working-class. It is not an attainment of the English people generally. Very few members of Parliament understand the national accounts, or we should have less expenditure, fewer pensions, and less taxation. Then balance-sheets, as investors in public companies know, are not always clear, often not meant to be clear. The jugglery of figures is a more profitable profession than is supposed, and all figures seem jugglery to the ignorant. In business hundreds of people get into bankruptcy, as much through ignorance as through fraud—not understanding how to keep accounts. Many stores have come to ruin through members not comprehending their quarterly accounts. The societies endeavour to give education, and they do it in many respects far less relevant

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to co-operative needs than book-keeping—a species of knowledge every co-operator ought to possess. The United Board have given much attention to book-keeping and auditing. Mr. H. R. Bailey and others have under their auspices, published manuals for the instruction of secretaries and members.

Competition works in the dark—Co-operation works in the light. Competition depends mainly on sharpness for success—Co-operation depends entirely upon honesty for success; and honesty depends upon good intelligence. When in 1879 and 1882 I explained these things to several assemblies in America, they were greatly interested in the novelty and boldness of this new business founded on good faith.

Of course they knew something of Co-operation. Horace Greeley, a famous American journalist, and founder of the *New York Tribune*, had written upon the subject; General Mussey, chief editor of the *Sovereign Bulletin* of Washington has published remarkable papers on the subject; the Hon. Josiah Quincy; and transcending them all, the Rev. E. Everett Hale has explained it to his fellow-citizens of Boston as it might be explained in London, in Manchester, or Rochdale. In Philadelphia there are one or two young Co-operative societies, having sound Rochdale features. There are therefore in America, here and there, promising Co-operative societies, but the general public have no practical conception of it. Indeed there is no model society in any city, which could give an adequate idea of what Distributive Co-operation is in practice. But there will be many one day. Education is being diffused by distinguished propagandists: the Rev. Heber Newton, the Rev. Dr. Ryland, Dr. Collyer of New York, the Rev. Dr. George Lorrimer of Chicago, and by Mrs. Elizabeth Thompson



who, with princely, one ought to say princessly, generosity, set up a co-operative journal, a printing press, and aided the formation of an industrial city. Carroll D. Wright, Chief Commissioner of Labour, Washington, by pen and influence aids the great cause of Productive as well as Distributive Co-operation. Nicholas Paine Gilman has written an important work on Profit-Sharing, and Mr. N. O. Nelson has not only acted upon it, but has stated its policy with a thoroughness unknown in England. Every name cited here, alike with all other advocates in France, Germany, Italy, (including Madame Jessie White Mario) mentioned in other chapters, are all diffusers of co-operative knowledge. How can the members of a store deserve this service or profit by it without misgivings, unless they maintain an educational department. In Co-operation Intelligence goes before Profit. In Bologna a Co-operative Society has devoted 20 per cent. of its gains to education. Where the reader shall learn that there is a Store without an Intelligence Fund—with no News-room, no Library, no Lecture-hall, he may conclude there is no conception that Co-operation is training in the principles of a business, which has honesty for the basis, equity for its aim, and intelligence as its ground of interest in it. In Italy, where they see most things at once, in France, which has propagandism in its blood, there is growing up a consistent conception that intelligence in a store is an investment that yields high interest, and that propagandism is a condition of prosperity and permanence.

The newspaper press constantly accord reports of the meetings of the Co-operative societies not given to commercial and other businesses. This is because a Store is a public and not a private shop, because whatever advantages a store affords are open to all customers, and to every

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household in the town without charge. Even the small fee of membership is repaid him in his profits, often in the first week. Chiefly the press accords publicity to Co-operative shops because they devote a portion of their profits to the public education of members, which no other traders do.

Self-help is the friend of those who have none to aid them. The old Co-operators put forward three things on which they depended—Capital, Labour, and Knowledge. Co-operators were never the enemies of capital. They could not well be so, seeing that their object was to acquire capital for themselves. At first they were not willing to pay interest for it, but they always proposed to repay the principal. Now they are willing to hire capital to prevent capital hiring them. Labour they never begrudged. Without knowledge self-help can do nothing; with it, it can do everything. The knowledge the co-operator most needs is in that which relates to the business in which he is engaged. He undertakes to introduce a new principle into social and commercial life. Competition means secrecy and over-reachingness, while in Co-operation none seek advantage for themselves, save such as are compatible with the equal interests of others. To do this the co-operator must have knowledge of the art of association, which has no professors and no literature. Co-operation, which takes only its share, is the opposite of Competition, which takes all it can get. Co-operation creates a new person, a new character, and a new policy, and the new knowledge required is as extensive and various as that which has perfected the science of antagonism which we call "civilization." There can be no frank association between persons of opposing interests, and it is idle to speak of fraternity

between rivals. Antagonists are never affectionate. Association has its conditions. Arthur Clough, a sagacious poet, wrote—

- “Thou shalt not covet ; but tradition  
Approves all forms of competition.”<sup>1</sup>

There is no keeping the commandments save under educated Co-operation.

When that form of thought began, its ideas of education went a long way back. Dr. Oliver Wendell Holmes, being asked when a child's education should begin, answered, “A hundred years before it is born.” We cannot well go back that far with regard to those who are here, but with respect to the world of the unborn it is quite time to take precautions, and the early co-operators intended establishing a new state of society. They had to consider what circumstances they could create which would be conducive to human improvement. Even in a Store the members must understand the business of provision dealers, or they will not know what to buy, nor what they have when they have bought it, nor will the society—for if uninformed the members will be delighted with bad things and discontented with good. Knowledge is an investment which always pays a good dividend. Co-operators of to-day understand somewhat the value of knowledge. They see that Political Economy is the policy of capital, while Industrial Economy is the policy of labour. As early as 1826 the movement was called the “Co-operative System.”

Co-operation is a new education ; but the modern disciples include many who are mostly and merely dividend-minded. They do not look outward as the pioneers did. You may

<sup>1</sup> Clough's version of the Decalogue.

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say of them as Bacon said of pretenders of his day, "They have the same veins as the ancients, but there is not so much blood in them." Many modern co-operators have not even the views of the old. Competition has petrified them ; but the movement is on lines which will yet exalt its old and noble inspiration. Experience had taught co-operators that the best intention counts for little unless intelligence inspires and directs it to action. It is astonishing how little a distance good-will goes, with ignorance hanging on it and bearing it down.

Without an open and instructed mind, there can be no growth of progress. Sojourner Truth, the stately negress with gray head, who went about preaching when she was near one hundred years old, was one day in an assembly to whom she said no word. "Surprised at her remaining silent when she had opportunity of speech, a friend asked her why she was mute. Her answer was, she "would have said something, but looking at those before her she saw they had nowhere to put it"—being full of themselves with no vacancy for improvement. We read in the ancient pages of the Talmud that the wise Jews of old wrote that the schools were not to be suspended even for the rebuilding of the Temple. In Co-operation the school is its strength.

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## CHAPTER X.

### THE ROCHDALE SYSTEM.

THE Rochdale system is all over this book, since every chapter has some exposition of its principles in application. To state them in a concrete form will save the reader the

trouble of collecting them. In the years preceding 1840, Rochdale, now a pleasant and expanding town, was one of the dreariest seats of industry in England. The wages of a weaver were insufficient to support his family. The poor-house was his destiny, and his anxiety was lest it should be full before his turn came, and he should have to sit with his feet out of the window.<sup>1</sup> When fever prevailed, the Guardians of the Poor felt with Malthus economic satisfaction at the decrease of rates through decrease of population.

At this time, 1830, a co-operative manufacturing society was established in Rochdale, which declined and disappeared after three or four years of existence. In 1832 it had fifty-two names on its books, £168 of funds, and employed ten members and their families in flannel manufacture. It had a library of thirty-two volumes. Ten years later two lingering distributive societies were attempted and abandoned. Notwithstanding these discouragements, trade union and Chartist troubles, twenty-eight men—known subsequently as the Rochdale Pioneers—whom, as a wandering lecturer I had on invitation several times addressed, formed in 1844 a new society. Intending to go on lines of justice in commerce and industry, they called themselves the "Equitable Pioneers" Co-operative Society. They began, as most persons now know, with a capital of £28, which had taken a long time to collect—mostly by twopence a week. In 1888, I was present on their forty-fourth Anniversary, when the secretary, Mr. J. E. Lord, reported

<sup>1</sup> In 1830, 7000 men were out on strike in Rochdale. A public meeting was held on Conkeyshaw Moor, opposite Mr. Bright's house, when Mr. Hinds declared "wages had been so reduced that a flannel weaver could not, by all his exertions, obtain more than from four to six shillings a week."

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that the Society had 11,223 members, share capital of £339,937, loan capital, £6,528. The average capital of each member was £30 5s. 8d.; the sales for the year £266,175; the total profits amounted to £46,729. The net profits excluding interest were £33,212, which was apportioned as follows—

	£
Dividend to Members ... ..	29,370
Dividend to Non-Members ... ..	472
2½% on Net Profits to Educational Department ... ..	816
Depreciation of Railway Stocks ... ..	1,854
To Reserve Fund ... ..	700
	<hr/>
	£33,212

The gifts to charities during 1888 were £128, beside £46 to Central Board propaganda.

The Stores maintain classes which 469<sup>1</sup> students attend; the subjects taught being woollen cloth, cotton manufacture, art and mathematics, French, dressmaking, shorthand and chemistry. Their circulating library contains 14,600 volumes, the reference library 2000, select costly books 370. They have seventeen branch news-rooms, and one of the best arranged laboratories in Lancashire. In 1888 they added to the possessions of Central Stores branches and tenements, fifteen new houses erected in Entwistle Road.

Such are the prosperity and practice of Rochdale Co-operation. How came it to be? on what principles was it founded? Wandering lecturers had diffused among the pioneers certain ideas conducive to unity and improvement, advocated by Robert Owen. They knew that—

<sup>1</sup> See *Forty-fourth Anniversary Report*.

"Our deeds pursue us from afar,  
And what we have been makes us what we are."

They had heard through others what Aristotle had said twenty-two hundred years ago, "that the same education would not produce the same virtues in different persons, for the formation of character in each person is dependent upon three things—nature, habit, and instruction."<sup>1</sup> The pioneers had been told that this was still true, although little attention was paid to it in the arrangements of society, and they resolved to do what they could to bring better conditions of moral life to pass. Nature they had to tolerate, and pity where they could not admire; habit they could improve; and they could, they hoped, give some social instruction better than that current, which did not amount to much. When they had collected their £28, they set forth their intention in these words—

"The objects and plans of this Society are to form arrangements for the pecuniary benefit and the improvement of the social and domestic condition of its members, by raising a sufficient amount of capital, in shares of one pound each, to bring into operation the following plans and arrangements—

"The establishment of a Store for the sale of provisions, clothing, etc.

"The building, purchasing or erecting a number of houses, in which those members desiring to assist each other in improving their domestic and social condition may reside.

"To commence the manufacture of such articles as the society may determine upon, for the employment of such members as may be without employment, or who may be

<sup>1</sup> Quoted by Hon. S. M. Fenger, *Circular of Education*, No. 2, p. 128.

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suffering in consequence of repeated reductions in their wages.

"As a further benefit and security to the members of this society, the society shall purchase or rent an estate or estates of land, which shall be cultivated by the members who may be out of employment, or whose labour may be badly remunerated."

Then follows a project which no nation has ever attempted, and no enthusiasts yet carried out—

"That, as soon as practicable, this society shall proceed to arrange the powers of production, distribution, education, and government; or, in other words, to establish a self-supporting home-colony of united interests, or assist other societies in establishing such colonies."

The traditions of Co-operation were in the minds of these Pioneer weavers. As soon as they had means they commenced in 1854 a spinning mill, and put in two noble engines which they named "Co-operation" and "Perseverance." There was no mistake as to their intentions. They said what they meant, and they meant what they said. They declared—

"The object of the Rochdale Co-operative Manufacturing Society is to provide arrangements by which its members may have the profits arising from the employment of their own capital and labour.

"The profits arising from the business of the Society (first paying interest on capital after the rate of 5 per cent. per annum) are divided amongst the members, giving an equal percentage to capital subscribed and labour performed."<sup>1</sup>

1. The Pioneers set the example of beginning a Store with funds of their own providing mainly.

<sup>1</sup> *Almanac*, 1860.



2. Supplying the purest provisions they could get.
3. Giving full weight and measure.
4. Charging market prices, not underselling or competing with shopkeepers.
5. Taking no credit, nor giving any : thus discouraging debt among working-people.
6. Giving the profits made to members in proportion to their purchases : acknowledging that they who make the profit should share it.
7. Inducing members to leave their profits in the Profit Bank of the Store to accumulate, thus teaching them thrift.
8. Fixing interest at 5 per cent., that Labour and Trade (which alone make capital fruitful) may have a fair chance of gain.
9. Dividing in the workshop the profits among those who have earned them, in proportion to their wages.
10. Devoting  $2\frac{1}{2}$  per cent. of all profits to education, to promote the improvement and efficiency of the members.
11. According to all members the democratic right of voting (one person one vote) upon all appointments and propositions, and according to women the right to receive their savings whether they were single or married, and this long before the Married Woman's Property Act existed.
12. The intention of extending co-operative commerce and manufacture by the establishment of an Industrial City, in which crime and competition should cease.
13. In originating the Wholesale Buying Society, they created means of fulfilling their own professions, of supplying provisions of ascertained genuineness, which otherwise would have been impossible to them.
14. The conception of the Store, as an Institution, as the

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germ of a new social life, which should by well directed self-help ensure morality and competence to all the industrious.

This is the "Rochdale System." It was established by the wise patience of the Pioneers, who when they had planted the Store overnight did not pluck it up the next morning to see whether it had taken root. The story of their success became noised abroad, not only over England but in distant lands. It may be said of Rochdale what Rogers said of Rome—

"From nothing, from the least,  
The lowliest village (what but here and there  
A reed-roofed cabin by a river side)  
Grew into everything : and year by year  
Patiently, fearlessly working her way  
O'er brook and field, o'er continent and sea."

London Co-operation grew out of the success of the Pioneers. The first Civil Service Supply Association quoted the statistics of the Rochdale Society in their first prospectus. But what is known as "London Co-operation," are Cheap Selling Stores. The purchaser has the advantage of cheapness, and the shareholders only have such profits as may accrue. The directors being gentlemen, intend to supply articles of good quality and of just measure and weight ; but they are not pledged to do it, in the manner in which the Co-operative Wholesale Society pledges itself—nor have they any separate organizations for procuring and ensuring genuine goods, as co-operators on the "Rochdale system" have. But by making only ready money sales the London stores induce in the upper classes the habit of not being in debt. They also improve the morality of trade by superseding the corruption of servants by secret commissions and they terminate the fraudulent charges of tradesmen's bills to cover commissions. Beside, by so far as they

purchase from co-operative manufacturing societies, they encourage honesty and equity in the remuneration of workmen.

The growth and security of the Rochdale Store, and of co-operative societies generally, have been due to the improvement of the law which gave legal protection to their funds, power to members to hold £200 in a Store, to buy land, engage in banking, and other advantages. The legalization of these societies have been mainly owing to gentlemen known as "Christian Socialists," of whom the chief was Mr. Neale.

On Christmas Day, 1862, at an annual Conference of one hundred delegates held in Oldham, Mr. Councillor Smithies of Rochdale moved that "the conference expresses its high sense of the obligations the co-operators of England are under to Edward Vansittart Neale, records their heartiest thanks for his legal and professional services in drawing up the Bill for the Amendment of the Industrial Societies Acts—services rendered with promptness and without stint, and advice, assistance, and influence watchfully and uninterruptedly given through every stage of the Bill, for which every co-operator in the kingdom owes Mr. Neale personal thanks."

Mr. Neale's answer was of a nature to add to the obligations co-operators were under to him. It was expressed in the following letter, dated—

*"West Wickham.*

"I trust that the Bill will inaugurate an era of genuine co-operative effort among the working-men of England, when I am certain that an incalculable amount of good of every sort will arise. The great thing to impress upon the

minds of the workers is the importance of seeking 'to *raise the position of their class*, instead of limiting their efforts to raising their own position as individuals. This lies at the bottom of the dispute about giving workers, as such, a share in profits. A man who has saved up a little capital may say—"I shall get more if I take all the profits to myself." But *will his children get more?* Is it not far more important to him, as a working-man, to bring about a state of things whereby his children, or other relatives, will share in the profits of capital, whatever their occupation may be, rather than to get a few more shillings or pounds a year himself.

"EDWARD VANSITTART NEALE."

The spinning works commenced by the Rochdale Pioneers after being successfully established, was perverted by shareholders who extinguished profit-sharing. To raise capital it was necessary to accept it from many who were not co-operators—shopkeepers and outsiders. The Pioneers resisted the change with many generous and passionate speeches. They vindicated the principle on which they had founded the mill—but they were out-voted. The mill has since been supplemented by stupendous piles, but history no more mentions them. In speaking to the new generation who have succeeded the Pioneers at the forty-fourth Anniversary of the famous Store, I reminded them of the words of the Lord of the Manor of Rochdale to the Greeks—

"You have the Pyrrhic dance as yet,  
Where is the Pyrrhic phalanx gone?"

We might re-apply the lines and say—

"You have the Toad-lane Store as yet,  
Where is the Toad-lane workshop gone?  
Of two such lessons why forget  
The nobler and the manlier one?"

If with their present increased power and wealth, they would do what those who went before them did, and who made them what they now are, and have a great equitable workshop in connection with their store, the profits to be distributed amongst those who made them, they would set an example which would further ennoble Rochdale, and double the power of its example all over the world.

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## CHAPTER. XI.

### THE CASE OF THE SHOPKEEPER.

THE shopkeeper has always opposed Co-operation: yet he is not in the danger he imagines. Good shops are inextinguishable. No Store of the London or Rochdale kind has shown genius in shopkeeping. The thought and consideration, the judgment and skill, the personal knowledge of the needs and tastes of purchasers—are impossible to stores. Stores are like public schools; a shop is like a private tutor, with a limited number of pupils to whom he individually attends. Co-operation may supersede needless and inferior shops; but this they are doing themselves, as Shoolbred, Heal, Maple, Snelgrove, Whitely, and that class of shopkeepers are. Shoolbred, who sold calicoes, muslins, silks and lace, now sell fire-irons and medicine, and send out circulars asking orders for their "Fine old Tawney Port," and "Fine brands of Villar—Villar Cigars." Let the

smaller shopkeepers, who set Railway companies and the Civil Service officials against working-men co-operators, and (through members of Parliament) demand Committees of inquiry, to harass and limit Co-operative Societies—first put down the cormorant shopkeepers who undersell them, outsell them, and swallow whole groups of them up at discretion. Great dealers shut up shopkeepers: why do not shopkeepers assail them? They can attack co-operators, because their doors are open, their balance-sheets are open, and shopkeepers have access to them. But the great dealers of their own trade suffer no access to them, and shopkeepers are dumb about them. They assail co-operators, who are far less their opponents. Their unintelligent enmity made the fortune of the Store. They boycotted co-operators who had sagacity and courage, and seeing that nothing could placate their adversaries—they put themselves in a position of independence in which they could defy them. Shopkeepers would not sell to the Stores, and intimidated the wholesale dealer who did, by threatening to give him no more orders so long as he served co-operators, who therefore set up a Wholesale society of their own. Ironmongers in like manner “put pressure” upon agricultural machine makers, as the Agricultural and Horticultural Society found. Thus tradesmen forced unity and self-protective action upon co-operators, and made formidable those whom they could afford to tolerate, and who in isolation could little harm them. The grocer has made and multiplied his rivals, and then complains of them. Like the man in the *Arabian Nights*, he has let the geni of Co-operation out of the bottle, and can never more get him in again. The grocer’s trouble has been of his own creating.

Tradesmen are unmindful how much they owe to co-

operators, who never undersell them. No one goes into tradesmen's shops, saying, "I can buy cheaper at the Store"—while buyers at the Store are often saying, "they can buy cheaper at the shop." It is the policy of the Store to sell at the highest market price, since the higher the sale price the higher the dividend, and the more the member saves. One object of the Store is to encourage the members to save. This policy keeps up the price of articles by which the shopkeeper profits. Thus Co-operative stores make the fortune of many shopkeepers—shopkeepers never made the fortune of any store. Like Sir Boyle Roche's "posterity," the shopkeeper "has never done anything for us." Besides, a shopkeeper can always do well by opening a business next door to a store. Many members of stores believe they can buy better at the grocer's shop than at their own, and are sure to give the shopkeeper a turn. In addition to that chance the shopkeeper has nine-tenths of the whole town for customers, who have not the care for the welfare of their neighbours or themselves to become co-operators.

Nor as a body have tradesmen reason to complain of co-operative aggression. There are forty millions of persons in Great Britain. Co-operators supply only one million—leaving to the shopkeeper thirty-nine millions. Yet not esteeming this modesty, his cormorantic passion incites him to begrudge the co-operator a unitarian portion of public custom.

The tradesmen plume themselves because they give credit which co-operators do not, and thus the grocers claim to help the needy—to get into debt. By giving credit they say they fulfil the injunction, "Bear one another's burdens." But if shopkeepers give credit, it is

the County Court upon which they cast the burden. We emancipate the customer—they enslave him. When Lord Westbury brought in a Bill to render all debt under £20 irrecoverable at law, he thought the Rochdale co-operators who had no debts might support it. But it turned out that the shopkeepers were against the Bill. They thought debt to their advantage. Learning this, the Rochdale co-operators did not petition in favour of Lord Westbury's Bill. They neither competed with local tradesmen, nor did they wish to support a measure against their neighbours' interests, although on public grounds they approved it. Never did shopkeepers anywhere at any time show co-operators like consideration.

It would take too much space here to tell of all the advantages co-operators accord to those who regard them as rivals. Stores rear some excellent managers who have learned their business in the store, and having acquired expertness and not principle, leave and accept situations in competitive shops. Sometimes these deserters from the store which has made them what they are, as respects business efficiency—open a rival shop near the store. Thus the worshipful company of shopkeepers are indebted to co-operators for swelling their ranks by several nimble-minded members. These treacherous managers are encouraged by observing that many co-operators can be lured away from the Store by the temptations of cheaper articles elsewhere, without any knowledge of the quantity or quality of what they are buying. Thus the grocer by his conspiracy of cheapness, can assail stores where intelligence is low. The conspiracy is of this kind. A dozen shopkeepers arrange to offer some one article conspicuously cheap; another tradesman does the same with another article, and so surrounding the store with organized temptations to its



members to desert it. No sooner should the store cease, than this special cheapness would cease also. These conspiring and boycotting grocers come under the law, as laid down by Mr. Justice O'Brien, in delivering the judgment of the Court in a boycotting case, said: "The question of the jurisdiction of the Court was settled by the judgment in the case of the Queen (Scymour) *v.* Davitt. The Crown contended that this movement was a conspiracy. If persons combined to *ruin* another in his trade, or to *impoverish a particular class*, they would be guilty of conspiracy. Indeed it might be said that in common law any combination to injure a third person was a conspiracy."

Professionally, the shopkeeper's case is better than he imagines. He is afraid, without foresight, of co-operators. His enemies are of his own household in the trade. He can hold his own with a little wit and a little judgment. Shopkeepers of special knowledge and skill will never be extinguished by co-operation, any more than the Quentir Matzys and the Benvenuto Cellinis of art will be extinguished by machinery.

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## CHAPTER XII.

### THE WHOLESALE BUYING SOCIETIES.

THE great Wholesale Society of Manchester, its business and branches, have been described in Chapter V. The tables there given show its growth and organization. Only the co-operative portion of the working-class have anything like it. Mr. Abraham Greenwood, long the cashier of the Wholesale Bank, was the persistent originator of the grea

society. The "Annual" volume which for many years the Directors have issued, give engravings of its great depôts and statistical facts of its progress, pictorial illustrations of places and persons, and essay-articles on public economic and historical questions. The function of buying is very important. The Wholesale was organized to render deceiving in trade impossible. Most managers of Stores are persuaded they can buy better than the Wholesale. This is only true, as has already been said, where a Store is situated near special markets. It is only when something can be saved in carriage and price, and goods of equal genuineness, quality and quantity can be had that stores buy elsewhere. Even then they lose something in prestige, since they cannot guarantee what they sell. The name of the Wholesale is a guarantee, since it pledges itself to genuineness and fair dealing. Besides, all money spent elsewhere strengthens the competitive dealer, whose interest it is to destroy the Store, and whose intention to do it he does not conceal.

This Buying Society rendering essential service to distribution, aids profit-sharing workshops by buying their goods. The Wholesale, as the reader has seen in Chapter V., has workshops with the view of saving the profits of production. They are good employers. Their workrooms at their Leicester shoe works are light and healthy; the workwomen have flowers on their tables, and pictures on the walls. Nor are the windows contrived so that they cannot be seen through. Entertainments are given to those employed, and they are paid Trade Union wages; but the Board do not divide profits with the workpeople. They consider that if they pay the profits to the stores each member has the advantage. Yet the little that comes to each member is contemptibly insignificant. The profits earned in Leicester

by the workers there go into the pockets of members of distant stores, instead of into the pockets of those who earn them. The oldest and ablest promoters of Co-operation, as Lord Ripon, Judge Hughes, the late Lloyd Jones, and many others, have always opposed this. Mr. Vansittart Neale, the chief administrator and organizer of the movement, says, in an admirable phrase, they diffuse it in "a drizzle of infinitesimal dividends useful to nobody," while they take from the working-people all share of that profit which is the rightful reward of their labour, and which co-operative equity promises to them. Yet even Distributive Co-operation has imposed participation on all its committees. It has established a principle of profit-sharing from which no directors ever think of departing. They cannot keep what they take from the workshop as capitalists do. They have to give it to societies, and societies have to give it to members.

For the purpose of illustration the proceedings of one year are as good as another. Take 1886. The workers employed by the Wholesale were 990; the profits made were £9,500. That would have given an addition of £9 10s. to each worker's wages. Who came in and carried away that profit? The 970 Stores took it. What did they do with it? They gave it to 650,000 members. How much did each member get? Twopence three farthings.

If this was generally understood it is inconceivable that 650,000 co-operators, with honesty in their hearts and equity on their lips, would for the sake of the pitiful sum of twopence three farthings deprive 990 fellow-workers of £9 10s. each, which they had earned by honest labour. Not in the eye of law, not in the eye of custom, but in the eye of co-operative equity, all profit is robbery which is

not equitably shared by those who have earned it. To such strange inconsistency does departure from principle reduce a party.

For eighteen centuries Judas has been a name of scorn in the world because he sold Christ to the cross. But Judas was a man of business compared with co-operators, he required 30 pieces of silver for his transaction ; but here we have 990 workmen condemned to a lifelong crucifixion to unrequited labour for the contemptible price of twopence three farthings. In justice to Judas he had one redeeming quality which excites respect—when he saw what he had done “he went out and hanged himself.”

The curious conduct described is not justified by co-operators, for Congress after Congress has condemned it. The Wholesale Society is a distinct business organization, not yet amenable to the decision of the general Congress.

This dispersed sum of £9,500 would be a respectable amount which would be held to excuse a capitalist employer keeping it in his hand—but it is a poor policy which withholds it from workers when directors dare not retain it for themselves. But this half Co-operation of Manchester and Oldham origin has perhaps had its day. The reader will wonder how this came about. It is partly owing to the capitalist spirit, partly to socialistic illusions. Dr. John Watts was the author of the theory on which the Wholesale have acted. Dr. Watts was a colleague of mine in earlier years ; we were both what was then known as “Social Missionaries,” accredited by the Congress of that day as advocates of Mr. Owen’s communistic views. In the Industrial City or community, as it was in those days called, which the disciples of Mr. Owen sought to establish, all inventions for the abridgment of labour contributed to the

welfare of the community—all the labour performed contributed to the wealth of the community, and each person had a share of it. Under the illusion of this socialistic theory, which was reasonable as applied to an organized self-supporting community, Dr. Watts argued that the profits of all the labour in the Wholesale workshops should be distributed equally among all the members of the Co-operative Societies in federation with the Wholesale. But in a community every member was provided for; his house was built for him, and his family, were all supported by the community—all fed and clothed by the community, and the total of all the wealth belonged equally to all the members of the community. But the Wholesale Society, and the societies federated with it, are not a community. The Wholesale does not provide houses for the members, nor garments for them—it neither feeds nor supports them in sickness nor in health—it merely distributes  $2\frac{3}{4}d.$  to each member, and each of the work-people they employ, instead of being provided with shelter, garments, food, education, recreation, and guaranteed support when the years of labour are over, they give each workman  $2\frac{3}{4}d.$  and take from him £9 10s. which he has honestly earned. This is what they are pleased to call Co-operative Equity. It is this which cannot last.

In Scotland there has arisen a Scottish Wholesale Society, whose growth is as remarkable as its English predecessor. With the Scotch, who have veracity in their bones, a principle is a more real thing than with the English. They see it with their understanding, the English with their hearts—which are more likely to be swayed by impulse or prepossession.

The Scottish Wholesale Society has the merit of recogniz-

ing co-operative principle. It accords sixpence in the pound on the wages of labour—a sum too little to incite ambition or hope. It recognizes the principle of profit-sharing, though without exalting it—the recognition of the principle gives to Scotland honourable distinction.

In 1866, when Mr. Hughes presided at a Co-operative Tea Party in the Manchester Town Hall, the *Times* newspaper said that “working-men had small reason to care for Co-operation—for it gave them no increase of wages,” and pointed out with contempt and triumph that co-operators treated workmen as capitalists did, and therefore had no right to complain of the plunder of their earnings by their employers in other workshops.

Members of the Wholesale Board say “they are in favour of the participation of workmen in the profits of the workshop—but there are difficulties in the way.” Nothing will ever be attempted if all possible objections must first be overcome. But there are no more difficulties in their way than there were in the way of Leclaire—of Godin—of George Thomson—of N. O. Nelson—of Madame Boucicault. What these great employers in England, France and America have done single-handed, the Wholesale of Manchester, with its assured custom and the money of all the Stores in its hands, can do better and with less risk. Doing it is so simple that it is done every quarter in every Store. After paying interest on capital and providing for depreciation and education—the profits are divided among the purchasers. Any one can do the same thing in the workshop, and divide the profits among the workers.

More than half a century ago, Harriet Martineau wrote, “Chartists at work—Frost, Williams and Jones tried. State of things fearful; unsolved question of the right of labour at

the bottom of all the troubles."<sup>1</sup> The English Wholesale will do nothing to solve the unsolved question until profit-sharing is established in its workshops.

I stood by the cradle of Co-operation. I have seen it grow to Manhood, and I trust to see its nobler maturity yet to come—when all co-operators will understand the great principles of labour they represent. It has taken forty years to convince them that the idea of the Store meant money. As the Americans say, there were "millions in it." Many disbelieved it; it was long before they saw it—they know it now. There are countless millions in the workshops of the world. Many co-operators of to-day do not see that profit-sharing in the workshop is the cause of the future. It is the cause of women, since it will double the income of their households, and save their husbands from the anxieties which darken the fireside. It is the cause of Stores—for it will double their business. It is the cause of Friendly Societies—who will no longer have to collect the pence of penury to save their members from a pauper's funeral. Club co-operators will find it will give them a new order of members in their halls, free from those lower tastes and habits which limited means and limited leisure impose upon men in spite of themselves. It is the cause of Trade Unionists, since it will indefinitely supplement their wages—give that dignity to labour which it has never known yet; and to use a phrase of the Rev. Mr. Barnett, the Warden of Toynbee Hall, it will "nationalize competence." To co-operators it opens a future to their children they have not yet dreamt of. Instead of their children growing up disliking labour and drifting, or seeking to drift, into the ignominious classes who live on the labour of others, they

<sup>1</sup> H. Martineau, *History of England*, 1816—1846.

will see reason to prefer the honester vocation of labour themselves. Young men and women now regard work as mean, because it has no prospect save toil, precariousness, and ultimate pauperism. Secure to labour the right of profit and competence, and labour will be the only dignity, because there will be self-earned prosperity in honest industry.

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## CHAPTER XIII.

### THE RIGHT OF LABOUR TO PROFIT.

PROFIT in the Store is the dividend of custom ; profit in the workshop is the dividend of labour. Co-operators therefore maintain that the workman is entitled to a dividend from the gains of the workshop.

Dr. Johnson's advice "Clear your mind of cant" was not given before it was needed. It is difficult to clear the mind of cant as respects the policy of capitalism. The truth seems harsh and ill-natured because many excellent people who treat capital as the arbiter of labour do not know what they do, nor always intend what they do. They follow competitive custom.

The habit and policy of employers is to deny that labour has any "right" to profit. That is because they think of the legal right while we speak of the moral right. They think of law—we of equity. There is a Bourbon mind among capitalists as well as among kings—which regards precedent as fitness and custom as just. They take might to be right. This is the mistake of mastership. If the workmen were gentlemen in means, the employer would not think of asking for their services to make his capital profitable,



except upon the condition of equitable participation. It is because the workman is poor that the employer takes advantage of him. This is in some cases the unwilling, in others the intentional, meanness of mastership. Co-operation seeks to alter this.

Political economists still talk of a Wages Fund, and caution workmen that they cannot hope to have more than this fund can afford. There is no Wages Fund. The employer stables his horses and feeds them, or his horses will be unprofitable by being unable to work. He houses his steam-engine, keeps it supplied with fuel and free from rain, rust, or its efficiency is impaired, and if subjected to high pressure it bursts up. All these expenses are mere trade charges—merely the wages of horse and engine, and he cannot get their labour on other terms. The wages of workmen are in like manner trade charges. The employer might as well talk of a Fodder Fund, or a Fuel Fund, as a Wages Fund. He gives horse or engine merely corn and coal because they have no future, and he who accords no profit to his workpeople treats them as though they had no future. All the while they are citizens having duties to perform to the state and to their families, and rights in equity to means of personal enjoyment and leisure, according to their station—as much so as their employers: not as a gift, or charity, or benevolent concession, but as their portion of profit earned upon their capital of strength, skill, and time, expended in making the employers' capital fruitful, which else were barren.

John Stuart Mill, who saw further into social questions than any political economist of his day, expresses the opinion which Marx uses as the foundation of Socialism. "The deepest root of the evils and iniquities which fill the

industrial world is the subjection of labour to capital, and the enormous share which the possessors of the instruments of production are able to take from the produce." This subjection can only be ended by according to the workman a right to an equitable share of that profit which capital acquires only by the instrumentality of labour. To do this would involve no limitation of the comforts of the rich, as Lord Derby in memorable words has shown:—"I have not," he said, "a word to utter against strenuous devotion to business while you are at it; on the contrary, that is the secret of success, and what is worth more than success—of self-approval. But one of the wisest and most thoroughly cultivated men whom I ever knew, retired before the age of fifty from a profession in which he was making an enormous income, because he said he had got as much as he or anybody belonging to him could want, and he did not see why he should sacrifice the rest of his life to money-getting. Some people thought him very foolish—I did not."<sup>1</sup>

The old feudal lord or chieftain took land and other property by violence. The new capitalist lord does it by subtlety, in some cases by fraud, and at times by force. We have stopped one marauder, why not the other? It is the purpose of Co-operation to show how labour can be enfranchised, endowed with an equitable share of all profit which its strength or skill contributes to create.

There should be a right of profit understood, if not enacted. As this book will be read by many unacquainted with the literature of Co-operation, it may be useful to show here, as I have done elsewhere, on what ground it is thought that the "right" of labour to profit is reasonable.

<sup>1</sup> Speech at Liverpool College.

How can the priest in his temple give God honest thanks "for all his mercies to the children of men," when he knows they are dying of poverty and squalor within a hundred yards of the altar? How can a gentleman sit down without remorse, in the splendour of his home and pleasure-grounds, while those who make his wealth lead cheerless lives, and the curses of the hopeless are heard in the air? Co-operation proposes to make the world fit for a gentleman to live in. It is not so now. But it will be so when every man has an equal opportunity of competence according to his condition, and not till then. This can come about only by conceding the right of profit to workers on the sea, on the field, in the mine, and in the workshop. We hear unending insistence on claims, risks, and rights of capital. What are they compared with those of labour? Capital lends it money—demands an ample interest, that its interest be well secured, has priority of claim, and commonly a second and third claim for interest. But labour is taken without security, is given no interest, and can be cast off at a week's notice. Interest is the rent of capital, wages are the rent of labour. Profit is made between them, and should be divided between them. Capitalists have their wages just as workmen have. The wages of capital are the current rates of interest. But in addition to interest capital seeks profit, and in like manner labour seeks profit in addition to wages. Capital is the lesser agent, but it has the better fortune. It neither thinks, nor feels, nor exerts itself. If England does not suit its owner, he can sojourn in sunny climes, and his interest follows him; and in the end he usually dies with great riches. All the while the workman is, as it were, chained to the workshop. He must be daily there, and must reside near, whether the neighbourhood is

healthy or unhealthy, in order to be at his work early in the morning. And when his strength decays, he is in most cases left penniless to perish. Capital could not have made a shilling of profit without labour. Nevertheless, capital carries away all the profit.

Is this fair play to labour? Is this equity to industry? Is it common honesty? The poets see now that capital owners have an easy time of it, and congratulate them thereupon—

“ You have nothing else to do  
But make others work for you ;  
And you never need to know  
How the worker's children grow ;  
You need only shut your eyes  
And be selfish, cold, and wise.”

Political economy, which has no morality, teaches the capitalist to ask, like Cain, “ Am I my brother's keeper ? ” If I am not my brother's keeper I am at least bound not to prevent my brother keeping himself. He who is not his brother's keeper, need not be his brother's thief. Let him not rob his brother, and his industrious brother will be able to take care of himself.

Let those who question or deny the “ right ” of labour to participate in profit consider what would happen should labour cease, or be united, or sufficiently self-provided to decline to work for a few months. No more garments would be made, and the world of fashion would be shabby in a season ; no more food would be produced, and famine would set in in a month, there would be no more enjoyment for the rich, their luxuries would no more be renewed. Within three months after common labour was no longer performed the money of the wealthy would be as worthless as though they lived under the siege of Paris ; their comfort

and security would be ended ; the lordly mansions would crumble and decay ; the proud navy would rot ; the Imperial army might be bought for a wagon-load of flour ; the Queen's palaces would be worth no more than a poor-house.

When the humble toiler ceases to serve, it means that the doctor will be no longer driven to your door ; the newspaper train will not arrive again ; the omnibus will cease to run ; the post-cart will come to a stand in the road ; the locomotive will rust in the station ; the ship will be arrested on the sea, and the captain and passengers will perish in their cabins. No news would come any more from kinsmen in distant countries ; no message could go out from us to them ; the telegraph would be mute. No labour means desolation. When toil ceases the fire will go out on the hearth ; light will be extinguished in the dwelling and in the street. Every town will be in darkness ; no protection will then be had ; the dead will lie unburied where they die. Then loathsome odours will arise ; deadly exhalations will spread themselves about unchecked ; fevers will crawl about human dwellings like snakes, piercing with stings that kill ; the Angel of Death will move over city and hamlet, over land and sea, unhindered, unimpeded, undelayed. If higher forms of artistic labour continued, it would not last long. The author would have neither paper nor ink ; the singer of " undying songs " would have to get in his own coals ; the artist who paints " immortal pictures " would have to empty his own dust-bin.<sup>1</sup>

If capitalists realized what labour does for them, they would see it was only equitable that labour should share profit to some extent. The power of capital to appropriate

<sup>1</sup> See article, " Progress of Co-operation," *New Review*, Sept. 1889.

the earnings of industry should be put under conditions. The passion of capital unchecked by humanity and unrestricted by law, is a blind, powerful beast with a demon's brain and no heart. If it can see and think, it is without the attribute of feeling—save for itself. It has 'but one concern, that of interest, and it has as many claws as an octopus to clutch it. Its appetite is not fastidious. It will feed on the lives of children, on the consumption of the seamstress, on the misery of poor men's hovels; and when it has grown rich by prying on earnings of the helpless, it often gives money to build a church, hoping to bribe God to save it from the devil.

He who regards the lives of labour without that "sentimentality" which political economists deride, soon comes in contact with the iron hand of capital. We live under an Ishmael system, in which every man's hand is against his neighbour. Society is made up of fighting forces.<sup>1</sup> Industry creates wealth, the tiger Capital seizes and carries it off and leaves labour just as much as will keep it alive to make more wealth. The despoilers have prudence with their business rapacity. They relinquish something to provide hospitals for the repair of maimed workers, and poor-houses for the old, whose power of work is exhausted, and whom they do not like the scandal of openly killing. The political economy upon which the richer classes, who really rule, mainly act, condemns this concession as a waste of wealth. The rich, so far from expressing gratitude to those by whose labour they have opulence, expect gratitude from the poor for employing them on any terms.

Some feeling of generous remorse creeps into the minds of the better sort of employers, and they restore, by acts

<sup>1</sup> See *Social Diseases and Worse Remedies*, T. H. Huxley, p. 21.

of charity, some portion of what they have taken or acquired. But this is thought to be "bad political economy," as teaching the people to depend upon others for what they ought to provide for themselves. It is just ground of complaint that the wealthy classes make laws and keep them in force, which deprive the people of any fair chance of providing for themselves. It is not that the wealthy are base by nature, that so many act basely. It is the system which makes them what they are. When working-men come to be capitalists in their small way, they act in the same manner. Even workmen have mean suspicions of any who have higher wages than themselves.

For a long time the Order of Industry has begun to raise its head and take its place by the side of the Order of Capital. Slowly, by prudence, by sacrifice and courage, the Trade Unionists obtained legal rights of combination for their own protection; and the people have now obtained political power which, if they have sense in its use, will enable them to obtain facilities for improving their social condition. These facilities have seldom been volunteered to them. They have been won mainly by their own persistence. The growth and present position of Co-operation is one of the results.

Co-operation has through the Store benefited its adherents, and has excited astonishment and respect, and it will excite the enthusiasm of the outlying masses of working-people, when it carries to them its greater message that labour is the workman's capital, and is entitled to interest as much, and more so, than the rich man's investment, and that the co-operative workshop teaches how it can be secured, should not the equity of employers lead them to concede it.

## CHAPTER XIV.

## PARTICIPATION IN PROFIT.

THE most convenient and available way of sharing profit with labour is by the device commonly called "Industrial Partnerships." Of course there is no partnership—there can be no partnership save between equals—and workmen are not equals except in co-operative workshops. A real Industrial Partnership is practically a co-operative workshop. Mr. T. W. Bushill defines Profit-sharing as a "Pre-determined Contract"<sup>1</sup> which is clear and guiding. He regards as vague and illusive that "profit-sharing which depends on arbitrary judgment, after the year's work is over, how much if anything each worker shall receive." To use the terms of a formula Mr. Schloss devises—"An agreement between Allen the employer and Barton the workman, that Barton shall receive what Allen chooses to give him, is no contract at all."<sup>2</sup> At the Paris International Congress of 1889, profit-sharing was defined as "a voluntary agreement under which the employee receives a share, *fixed beforehand*, in the profits of a business."

Profit-sharing is not a sentimental but a business arrangement, conducive to the advantage of the employer as well as to the employed. The assumption of its advocates is that it pays better all round, all things relevant taken into account, than the mere wages system. If it does not so pay, it cannot maintain its ground as a business arrangement.

When Mr. Marshall of Leeds showed Robert Owen over

<sup>1</sup> Report of the Working of a Profit-sharing Scheme, 1890.

<sup>2</sup> *Charity Organisation Review*, Jan. 1890.



his mills there, he said, "This army of working-people, if they chose to be careful in the use of the material intrusted to them, might save me £4000 a year." "Then," remarked Mr. Owen, "why not give them £2000 and they will do it, and you would gain £2000 by the arrangement?" This explains the principle and business justification of profit-sharing.

That profit-sharing has industrial results, a hundred instances might be cited. The latest is "Hubbard's Profit-Sharing Building Business." In the inclement weather of mid-December 1890, Mr. Hubbard writes: "Many of the men who are erecting a lofty pile of buildings at Howgill, Middleton in Teesdale, are working now on the roof, exposed during the whole day to the most bitter and keen wind, with a thermometer six degrees below freezing. Men who do this, and cheerfully too, most richly deserve a portion of the profits they are so hardly gaining for their employer. It is a wonder with all conversant with building, that it should have been possible to erect such a great pile amid the difficulties of the season in such a short space of time."

When the Messrs. Briggs proposed to place their collieries at Methley on a profit-sharing basis, they calculated that it was in the power of a man by watchfulness in the mine and care in the output, to add £3000 a year to the profits. This proved to be true. I interested Mr. J. S. Mill, Prof. Fawcett, Louis Blanc, and Prof. A. Talandier, all of whom wrote letters of honour to the Messrs. Briggs for their enterprise. Louis Blanc took shares in the company, in proof of his interest in labour being considered. The *Capital and Labour Journal* said, in 1878: "We had to report in Feb. 1875 that the Methley plan, after having been fairly tried for a lengthened period, had to be abandoned, owing

to the ignorance and perversity of many of the workpeople themselves." This has been said by other employers' papers a hundred times since, yet not a word of it is true. For a time the workmen received their share of profits. Owing to the profitable boom of a "Coal Famine," the colliery made exceptional profits, and many thousands of pounds which should have been divided among the men were otherwise appropriated. Those who ask "if men share profits, will they share losses?" altered their tone when the day of large profits came. The employers shared the new profits which came without their forethought, but the men were not accorded a share of the good fortune.

The Briggss broke up the industrial partnership arrangements themselves. They forbade the men to attend a Union meeting. The men, with honourable loyalty to their own order, determined to attend, and their employers revenged themselves by stopping profit-sharing, not even, I believe, paying what they had earned up to that time, due since the last term at which dividend was paid.

When the offer of profit-sharing was made to the men of the Metropolitan Gas Company, it was refused, because it was accompanied by dishonouring conditions, intended to destroy the union of the men. Were workmen to attempt to dictate that employers should not belong to any association they disapproved of, many would loudly denounce the "insolent" dictation. The rich, being more powerful and better instructed, their dictation is more insolent than that of the poor. Under conditions which did not outrage their self-respect, men would be glad of profit-sharing. Mr George Livsey spent £80,000 of the shareholders' money to compel the men to accept humiliating conditions, causing them to resent the offer which otherwise they would have

gratefully accepted. Fox and Henderson, of Middlesbro'-on-Tees, destroyed in the same way a partnership with labour. Some employers, anxious to discredit the concession of profits, have proposed it under conditions which no men of self-respect would consent to, and when the offer was rejected, word was sent round the press saying that workmen not only did not care about it but objected to it. Yet both the Messrs. Briggs, Fox and Henderson, and Mr. Livsey are more entitled to the respect of workmen for proposing profit-sharing, which gives vogue to this new form of justice to labour, than those who never proposed it at all. Mastership has so long been conceded to property, that very excellent people seem incapable of regarding independence as the right of industry.

Lord George Manners was brother of the present Duke of Rutland Lord John Manners, who wrote "Young England" rhymes; Lord George put in force young England principles. He put into practice some form of reciprocity of profit among the labourers on his estate. When bad seasons came and no profits were made, he was asked "if the men shared the losses?" Lord George replied, "Yes; they worked all the same, and had no profit. Besides, had they not so worked in the years of loss, my losses would have been much greater; in this way the farm hands did contribute to losses." This answer showed a well-informed appreciation, not common yet.

Lord Wantage is the owner of two whole villages, models of what villages ought to be. It is said that he has made experiments in profit-sharing. It is reported that "the life of the inhabitants of Lockinge and Ardington is conducted on co-operative principles. They have their storages for food and clothes, and there is an extensive cluster of splendid

workshops. They have their bakehouse fitted with all the best appliances, their schools, and everything else essential to a model community."<sup>1</sup> It only needs that the villages should be assigned to the inhabitants at a certain sum, which, when paid out of the profits of their labour, should become their own—then there would be a real Industrial City—self-owned, self-supported by the people.

The clearest and manliest statement of the theory and practice of industry participating in its gains, is that made by Mr. N. O. Nelson, of the Manufacturing Company of Edwardsville, America. Mr. Nelson thus spoke to his workpeople assembled :—

"Five years ago we began sharing profits between capital and wages. There had never been any trouble between us, the house had been prosperous from its foundation, its policy was satisfactory. We had no business reasons for adopting the co-operative system. We did not then, nor have we since, imposed any conditions or restrictions. We had never inquired whether you belonged to unions, or favoured protection or free trade. Prospective dividends have not been made the pretext for lower wages. Our foremen have been instructed to pay the highest current wages paid for similar work.

"I call your attention to these facts at this time, in order to make it clear that profit-sharing is not coupled with burdensome or humiliating conditions. We adopted this plan because it seemed to us right. What a man works for should be his, and no elaborate sophistry of wages fund, or of supply and demand, can impair this principle of justice." It matters not by what ingenious system of law or

<sup>1</sup> London correspondent of the *Manchester Evening News*, March 1891.

of force the shrewd and the strong absorb the results of other men's efforts, it is oppression and wrong. It is not benevolence but justice that the man asks, who lives by the work of his own hands. Is his product measured by the wages which he gets? Has he no equity except that of a contract made under the duress of necessity? Have we no dispute with the man who reaps a lordly income from the midnight stitching of sad-faced women? The dense fog of money-making does not blind us to humane obligations. We put the brand of Cain upon the man who imperiously declares that he is not his 'brother's keeper.'"<sup>1</sup>

When a share of profits is conceded, employers may give too little and workmen may expect too much. Workmen cannot have a share of profits where none are made. An actor, famous in his day, relates that he was once a member of "a profit-sharing company." On one occasion "he performed the part of King Richard—sang two comic songs—took part in an interlude—danced a hornpipe—spoke a prologue—and in addition was harlequin. His share of the profits came to threepence and three pieces of candle."

Though the growth of co-operative workshops is more rapid than expectations, it is slow compared with the millions of workmen depending upon the wages system. Without doubt the hire system of labour will be superseded by the self-employment of labour in co-operative workshops, as surely as the feudal and vassal system has been superseded by hired workmen.

Industrial partnership—the precursory stage—is already extending. Macmillans have recently published Mr. Nicholas Paine Gilman's important book on *Profit-Sharing*, and which being inscribed to Mr. Carroll D. Wright,

<sup>1</sup> See the whole address in *Lend a Hand*, Feb. 1891, Boston.

the Washington Commissioner of Labour, is proof that the book has the inspiration of facts in it. Mr. Arnold Forster has given in his *Laws of Every-day Life* a clear and familiar account of "Co-operation." This is the first time Co-operation has been introduced into the school-room. In the *Star* for the 5th of June, 1889, the editor announced "profit-sharing as one of the principles of the *Star* programme." This is the first time that profit-sharing has appeared as one of the planks of a political platform. The Convocation at Canterbury not only recognized but recommended the principle. At the Annual Assembly of the Baptist Union in London, Mr. G. W. Bushill and Mr. W. Walker called attention to the words of the prophet, "My people shall not sow and another reap." This is the first time the Churches have given thought to the right of the sower to reap. We learned lately from the speech of Mr. Galpin at Exeter Hall that the co-operative principle has led to the introduction of profit-sharing in the great firm of Cassell & Co., which makes their books feel wholesome in the hand. Since, Mr. Bushill and Mr. Schloss have published a list of upwards of fifty genuine profit-sharing firms, a greater number than exists in any other country. The universal existence of co-operative workshops may be centuries distant. There will be the transition state of industrial participation in profit, under which the employer retains mastership and control of his business. By according participation in gain to his workpeople the master diminishes his own anxieties, reduces the labour of supervision, and escapes much of the meanness of suspicion. His workpeople are more industrious and skilful, they have a motive for putting their character into their work, they entertain sentiments of respect for their employers, and take interest in the business reputation

of the firm. The employer who has no generous consideration for the welfare of his workpeople, has no claim that they shall have consideration for him.

Under participation in profit the men are without control or responsibility, and have no education in the management of industrial affairs. These qualities can only be acquired in the co-operative workshop, formed by men who provide the capital, take the risks, control the business, and share the profits. Mere participation under one employer raises a superior class of workmen. The co-operative workshop raises a superior class of men. In the meantime, participation conceded by employers is a good thing for the men, and not less so to masters—since it contents their hands, improves their hands, and renders unlikely the precipitous formation of co-operative workshops, which will come into competition in the market, until industrial cities, self-dependent and self-sustaining, are formed, when competition will subside into honesty of barter, and barter will be a choice or convenience of change and no longer a necessity. It is necessity which makes and embitters competition.

In Stanley's march through Africa (apart from its method or morality) the public recognize how much was owing to the directing genius of the chief. If every man who died on that march knew that his family would have some provision made for them, if every man who survived the deadly peril and suffering had been guaranteed some reward which should make his days less precarious, success would not have been imperilled, nor the force of allegiance, daring and endurance, weakened, nor Mr. Stanley have had less fame and honour. So in commercial and manufacturing enterprise. If those whose labour causes capital to increase and profits to accumulate had such moderate share thereof as

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would provide future competence for them, when the power of work will be exhausted, the employer would increase in riches and regard.

When Napoleon I. was at St. Helena, he one day strolling along a narrow lane encountered a negro bearing a heavy burden on his shoulders. Napoleon promptly stood aside to let the negro pass, and as he did so, touching his hat, he said to the officers with him, "Respect the bearer of burdens." He did not show much respect to them in his conscriptions, but this sentiment was honourable, and if entertained by Captains of Industry towards workmen, participation in profits would soon come to be general, and would cost the employer less than he thinks.

There is relevant instruction in the story of the boy to whom a visitor had given a crown piece, when the boy asked him to give him a penny instead, for the reason that his father would take the five shillings from him, but if he had a penny he could spend it himself. The tendency to acquiesce in things as they are is very general. The mass of uneducated people are disinclined both to effort and to enterprise, and if capital gave but the penny of equity, it might keep its crowns without question. Had workmen living wages—with added means of moderate competence when labour is no longer possible—capital might enjoy its riches and its accretions unenvied and unalarmed. Capital by being aggressive invites war: by taking all it endangers all.

Participation in profits involves no recasting of society, disturbs no business administration, impairs no authority of proprietorship, needs no state interference, and confiscates no man's property; it equalizes fortunes without spoliation, renders capital secure by rendering it just, and makes



precariousness and pauperism impossible, by putting the means of competence in every industrious man's hands.

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## CHAPTER XV.

### PERSONAL CONDITIONS OF PROFIT-SHARING.

PARTICIPATION in profit requires co-operative spirit in employers to carry it out. Participation is an education, and workmen may not appreciate it until they have been trained in it. Employers, unless they care much for the welfare of their men, will never take the trouble to educate them for their own good in this way. Owen, Leclaire, Godin lived among their workpeople, Godin and Leclaire worked with them, and trained them in earning profits and sharing them. In the *Spectator* lately were wise words, quoted or written, which exactly explain the state of mind in which industrial participation becomes possible.

"Trades, just as much as professions, are callings; factories and businesses should be accepted as the life's work, as the parson accepts his parish where his work is to make the relations of the people as noble as possible; whereas what the modern employer means, is to make money and set up as an imitation gentleman."<sup>1</sup>

By industry nations live, the mass of mankind are the workers who should find elevation in it. The chiefs of labour who intend that this should be so fill a distinguished office. The great apostle of noble industry tells us that, "Men—men and not the works of men, men and not

<sup>1</sup> *Spectator*, May 25, 1889.

materials, or machines, or gold, or even pictures or statues or public buildings—should be the prime objects of our care and reverence and love.”<sup>1</sup>

Employers lacking patience and enthusiasm too often act like less responsible persons—pull up an Industrial Partnership a few months after it has been planted, to judge if it be likely to germinate.

Count Tolstoi had the lofty spirit of the true employer in him. When his aunt wrote to him, saying, “Our good tendencies do us more harm in life than our bad ones. It is easier to win happiness for ourselves than for others. At my age people don’t care for arguments or rules, but for experience”—the count made the fine reply: “If you could only see two of my peasants, David and Ivan, and the way they and their families live, I am convinced that one glance at these two unfortunates would do more to persuade you than all that I can tell you in justification of my resolve. Is not my obligation sacred and clear, to labour for the welfare of these seven hundred human beings for whom I must be responsible to God? Would it not be a sin to leave them to the mercy of harsh elders and overseers, so as to carry out for myself plans of enjoyment and ambition? And why should I seek in any other sphere the opportunity of being useful and doing good, when such a noble, brilliant and paramount duty lies right at hand?”<sup>2</sup>

Tolstoi is little versed in Co-operation, but he has the spirit which makes a man a king among employers. He had the courage which waits for the results of a just system.

<sup>1</sup> “Cardinal Doctrine of Ruskin,” Edw. Dowden, *Victorian Literature*, p. 233.

<sup>2</sup> Russian proprietor.

We lately had a meeting of the Co-operative Newspaper Society at Manchester. If we could expect consistency anywhere, it would be among the workmen elevated by Co-operation to the rank of employers—the appointed directors of the paper which is the organ and advocate of Co-operation. On a motion made by myself and Mr. Neale, that profit-sharing should be established in the printing-office of the *Co-operative News*, a majority voted against the proposition.

I knew these delegate-masters when they were workmen, when *they* felt keenly and spoke loudly of the injustice of employers who took from them all they could, and gave them the least they could in return. Now Co-operation has put a little capital in their way, many of them develop the vices of capitalism. But there was one hopeful sign which I saw, as I watched them voting, namely, those who held up their hands against the motion held their heads down. Mr. Mill said it was an honourable characteristic of English workmen, that though workmen the world over would lie, the English workmen were alone ashamed of it. Manchester co-operators have at least this merit, that though other workmen would do as they did, they were ashamed of doing it. To the honour of co-operators in general it ought to be said, that double the number of shareholders at the aforesaid meeting had declared by letter their approval of profit-sharing in the printing-office. As the votes of the absent and distant societies could not be recorded, about twenty-four delegates voted down more than seventy societies, greater than those represented by them in the division.

Industrial justice implies trouble, and employers not generous enough to take it are encouraged in not doing it by instances of the action of working-men employers, such

as that now cited. It implies high personal character in an employer, who, despising or disregarding the want of principle in others, resolves himself to do what is right for its own sake. But he who so resolves will have to overrule or resist other objections which will be pressed upon his notice. The meanest of all arguments against the adequate payment of labour, is the pretence that the workman will be debauched by it, and spend it in gluttony or drink or sensuality. Do not the rich do this? If they do not, what do they want so much money for? If competence is so dangerous why should they be subjected to it, or their children be trusted with riches, which is too often spent in pride, ostentation, luxury, and political corruption? Even co-operators who have, to their credit, conceded profit-sharing, want in some cases to go back again, saying, "It does not answer the purpose they expected, as their dividend on labour is spent in enjoyment." Well, is not that a good thing that the workers should at length have some means of enjoyment? Have they not earned it? Is the money not their own? Do these objectors refuse good incomes because of temptation to spend more? Do they propose to stop the incomes of the rising middle-class employers, when they become well off? How do the newly rich spend their money? When profits increase and they have money to spare, do they not throng to the spending towns in England and abroad? Do not we who live in London know how they spend their money? It is well known where they go to. Do not they and their sons have their fling of sensual days and nights? After a time the unaccustomed pleasure satiates and palls, and they sober down and live a self-respecting life.

The extravagance of pitmen or mechanics is a popular

subject of animadversion, as though no persons save workmen were addicted to it. All persons in all ranks of life, whose means have been narrow, do as Lord Bacon says, "surfeit more when they come to plenty."

Profit-sharing has as yet little fruit to show, because little seed has been sown, and the cultivation of that, little attended to; but when the masters of the vineyard enter upon their work in a generous spirit of duty, the harvest to them as well as to the labourers will be great. If all the working people to be met in the street had a fair share of the profit of their honest industry, there would not be seen a ragged, a lean, a poor, an apprehensive, or discontented person among them.

Profit-sharing is the Angel of Competence, coming from the Kingdom of Justice, hovering over the homes of squalor and penury, but whose feet have not yet rested on the solid earth.

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## CHAPTER XVI.

### THEORY OF THE CO-OPERATIVE WORKSHOP.

MR. GLADSTONE, speaking at West Calder in 1890, said one most useful and valuable means of strengthening the position of the labouring class, without doing harm to any man, is what is called the method of Co-operation. "The distribution of commodities is attended with immense economy, with immense benefit to the labouring man, and likewise with moral advantage, because it helps to give him the practice of self-government on his own behalf, and on behalf of his class. So again, *Co-operation in the business of production*, which is much more difficult, but which, if it

can be managed, *is better still*. Most heartily, wherever it can be had in manufacture or in agriculture, I for one cordially wish it well."

Co-operative production, Mr. Gladstone discerns, is the "better" half of Co-operation, and the cause cannot have a better judge.

The theory of a co-operative workshop is, that workmen should find their own capital as far as possible, and borrow the least they can make do, at 5 per cent. interest, as in the Stores; work themselves at Trade Union wages, provide a depreciation and a reserve fund, and apportion the profits upon wages, and leave half or all in the business for its extension.

If unusual risk exists workmen have to give 6 or 7 per cent. for capital, but it should be under the condition that when the reserve fund amounted to half the loan capital, interest should return to 5 per cent. Mr. D. F. Schloss defines a co-operative workshop as "the government of the workshop by the workers in that workshop, for the benefit of themselves, the actual workers."

As to working conditions, it was usefully pointed out by Mr. Walter Morrison that "without the concentration of management among a limited number of persons, manufacturing could not be successfully carried on."<sup>1</sup> The next thing, if it can be done, is to get a person knowing the whole business in detail, and able to direct it; who will conduct it as though it was his own; taking only the market value of his services and his equitable share of profit with the workmen. The workmen require to be superior men to Store members, as they need more judgment, more industry, more patience, more confidence, and less suspicion.

<sup>1</sup> Newcastle Congress, 1873.

"Co-operation," says Prof. Marshall, "is the child of confidence, and ignorance is the parent of mistrust."<sup>1</sup> Confidence and intelligence are more necessary in a workshop than in a Store. If the members of a Store look after their affairs things cannot go very wrong. The first quarterly balance-sheet that shows no profit tells them there is something wrong as profits are truant. But in a workshop its whole capital is in the hands of the manager. He may buy unwisely; he may take orders which cannot be executed at the price. Sometimes, do the best the manager can, prices may fall in the market, bad debts may occur, and the vicissitudes common to all manufacturers may come, which no foresight can see nor avert. These are no cases for loss of confidence, nor decrease of effort, and are to be met with courage and mutual sacrifice till the evil day is past.

Mr. Bright, in speaking of successful men in his own town, one of whom, Mr. Thomas Watson, had given an infirmary to Rochdale, said that when Mr. Watson and two fellow-workmen commenced business, "one understood silk-spinning perfectly, another understood making hats, and another understood the finishing of goods;" and to this cardinal point of knowing what they were about, they added the qualities "of industry, skill, intelligence, and honourable conduct." A manager without pride in co-operative success, and lacking sympathy with the men, will break up a society as often as men will, who lack patience and industry. When a co-operative concern fails it is always the men who are blamed—nobody asks what kind of manager they had. Considerate manners are as indispens-

<sup>1</sup> *Economics of Industry*, by Prof. Marshall and Mrs. Marshall, pp. 221, 222.

able in a manager as skill in business. A manager will give himself offensive airs, forgetting that dignity comes by service, not by authority. Manners, as Burke said, are of more importance than laws. "The law touches us but here and there, now and then. Manners are what vex or soothe, corrupt or purify, barbarize or refine us by a constant, steady, uniform, insensible operation like that of the air we breathe. They give the whole form and colour to our lives." In a manager manners are important; in a Store, and especially in a co-operative workshop, they mean much. The customer at a Store may not come in contact with the manager three times a week, while the workman is under him every hour of every day.

Men in their turn must have the wisdom to obey those they set in authority over them, not only as they would obey in a private shop, but more loyally in their own. Where there is no obedience there is no gain, nor unity, nor good comradeship. All goods sold, or work done by co-operators, are intended to be known by the marks—best of all trade-marks—genuineness and excellence. As Mr. Ruskin advises, "Every man does his best, not the best of an ass, but the best of a good workman."

No one can foresee, or see at all, what the effect of profit-sharing upon the prosperity of the workshop or the ingenuity of workman will be, unless where profits are made he has an inspiring prospect of sharing in them.

To this end it is essential that the trade charges of a business should be limited to things essential to its success, so that a substantial share of profits shall accrue to the workers.

Some devisers of profit-sharing contracts make too many divisions, well-intended, but premature, in the appropriation



of profit. Provision of 5 per cent. interest to capital, 10 per cent. for depreciation and such allowance to the consumer as may represent advertisement, are among essential trade charges. The surplus is the share of profit to labour, and no further appropriations should be made until labour receives 10 per cent. on its wages. Any surplus then existing might be divisible between labour, education, and a fund in reward of invention, in such proportion as shall be deemed most conducive to the interests of the business.

In co-operative workshops so many divisions of profits are sometimes arranged, before labour is assigned a share, that very little comes to it; so little that it neither excites enthusiasm, nor justifies effort to obtain it.

Some depreciators of the workshop aver that overtures of profit to workpeople produce no appreciable result. It is sometimes owing to workmen never having been accustomed to a share of profit, and not having confidence that they shall ever receive it; and oftener because the amount is so small and dubious that it is not worth their working to earn it.

Because the Cobden Mill proposed to give profits to labour, I took two hundred shares with the only money I had, which was all lost; but what more concerned me was, that a second division of profit on capital made it hopeless that the workmen would ever have any encouraging share. The Manchester Printing Society gives  $7\frac{1}{2}$  per cent. to capital, where capital has small risk, seeing that the co-operative societies are at once shareholders and customers: and these well-secured, over-paid shareholders come in for a second share of profit with labour's one share, so that the workpeople have a shabby award insufficient to

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create pride, interest, or exertion on their part. This is imposture profit-sharing, but very good capital-sharing. As the spirit of co-operative equity grows this will be changed. In the notable and successful Hebden Bridge Fustian Works, there is a strong feeling in favour of returning to 5 per cent. interest, and many shareholders now take only 5 instead of  $7\frac{1}{2}$  per cent.

Co-operative workshops are multiplying, and some succeed in a remarkable manner. The Hosiery Society of Leicester has grown from a small beginning, moving from place to place, from lesser premises to larger from time to time, as its business expanded; and now it occupies a spacious building. In the same town a younger society has attained conspicuous success. It now occupies a large new building, and has a lecture hall in it. It is worthy of notice because the wholesale society has large shoe-works there, of which the directors declare themselves quite unable to contrive any arrangement whereby their workmen shall share in the profits of their labours. The "Eagle Brand" Boot and Shoe Society began with few workmen, who found members quite able to do what the wholesale cannot. These workmen share profits with their fellows. This is the eloquent story of their progress in their first three years (1887 to 1890).

Their total trade of the three years, £33,606.

The profit yielded £2,320.

This profit has been distributed in the following way—

£241 17 10 has been placed to a Reserved Fund.

794	9	4	"	credited to workers.
238	16	0	"	Officers and Committee.
99	10	0	"	an Educational Fund.

199 0 0 has been credited to a Provident Fund.  
 59 9 0 " " a Special Service Fund.  
 199 0 0 " paid as dividend upon capital (plus  
 the usual 5 per cent.).  
 396 6 8 " paid to customers.  
 90 0 0 and upwards has been applied to various  
 charitable and propagandist agencies.

The Society commenced in a very humble way ; it was only able to employ one man in 1887 ; in 1890 it employed 160. In the last quarter of 1890 the turn-out exceeded 26,000 pairs.

The greatest teacher of industry is Mr. Ruskin. Carlyle mostly incites you to Titanic purpose—it may be to flog Jamaica negroes with whips of wire if they do not hoe their plantations for you. Mr. Ruskin inspires his reader with the dignity of labour as manifested in art and equity. The noblest co-operative workshop in England is that described by Mr. Edward T. Cook, M.A., in his work entitled *Studies in Ruskin*.

The works of "George Thomson and Co. (Woodhouse Mills, Huddersfield) were converted into a co-operative profit-sharing mill under the impetus derived from Mr. Ruskin's teaching. Mr. George Thomson, the head of the firm, is one of the trustees and treasurer of St. George's Guild. The woollen cloths produced are absolutely honest and free from shoddy. Genuineness of work is an essential characteristic of true Co-operation. Mr. Thomson is examiner of cloth manufacture of the City and Guilds of London Technical Institute ; and one of his great aims is to exalt the reputation of British industry. Mr. Thomson made no charge for the good-will of the business, and

remains as manager, and is paid his wages like every one else, sharing in proportion with the other workers, but no more, in such net profits as he may assist in earning. The loan stock bears interest at 5 per cent., and so long as this is paid the principal cannot be demanded."<sup>1</sup>

No capitalist comes in for a second division of profit. When he is once paid his claims are ended, which gives labour a fair chance of a fair share. Mr. Cook makes the just and instructive remark—"It is a commonplace with capitalists to say that the interests of capital and labour are identical;" so no doubt in a sense they are, even under our existing economical conditions. The same good times, that is to say, that secure to the worker his weekly dole, secure to the capitalist his lion's share."

What Mr. Ruskin thinks of the scheme is sufficiently shown in the following letter which he addressed to Mr. Thomson on the subject in 1886—

"I cannot enough thank you, or express the depths of my pleasure in the announcement of the momentous and absolutely foundational step taken by you in all that is just and wise, in the establishment of these relations with your workmen. I may perhaps yet live to see 'the pleasure of the Lord prosper in your hand.' But without your practical power and faith nothing could have been yet done."

Sir Wemyss Reid, in his *Life of the late W. E. Forster*, records that he wrote from Paris, saying, "He was going to Louis Blanc's workshops for a pair of Communist trousers." This must have been Mr. Forster's pleasantry. Forster knew Louis Blanc, and knew that the workshops

<sup>1</sup> See *Studies in Ruskin*, by Edward T. Cook, M.A.: Allen, Bell yard, London, pp. 178-80.

were not what he devised, but were the same thing as the parish stone-yard, and Forster would no more think of going to the "Blanc workshop" for a pair of Communist trousers, than he would think of going to the Bradford workhouse for a barrow of Communist stones.

In the co-operative workshop the industrious neither seek charity nor desire it. They know the poor should not need support when old—nor accept it. They should be self-provided for, and see that they have wages and profit, out of which they can save against the day of old age. Equitable profit-sharing would double their wages.

Men with double wages can buy double at the Store. Had workmen money to lay out for the full needs of their families, a new home market would arise greater in value than all our foreign markets put together, and far more steady. It is complained that the workmen encourage adulteration, slop work, and sweating wages, by buying inferior provisions, and bad articles—bad, both in material and workmanship, because they are cheap. What exposes him to this temptation and discredit but the small income which honest labour brings him? The co-operative workshop alone can remedy this. Why does abundance elude those who produce it? Who abstracts it?

The co-operative workmen need not inquire with anxiety into that, seeing that co-operative workshops will enable them to retain profit in their own hand. As a worker under competition, the workman's fate is that of the boy who was promised two apples on condition that they were shared fairly between him and his brother. The stronger lad took the larger apple and told his brother, "he could have the lesser one or none." This is profit-sharing under competition, where the worker shares in the choice of

the wages offered him, or starvation; since he must sell his labour for what the employer will give him, or beg, or steal, or perish. He has no power to choose his position, and has to be content with the one assigned to him. A famous Quaker of Thetford, Thomas Paine, went to America when the abject inhabitants were petitioning George III. to be reconciled to them, who had offended him by resisting his taxation on their tea. The great author of *Common Sense* said, "he found the colonists on their knees writing petitions to an idiot king imploring from him the privilege of being men."<sup>1</sup> In the same way the English workman has to implore his employer for the privilege of being his servant, when in a co-operative workshop he might be his own employer and his own master.

Those who have no work are shot unless they die quietly, or suffer worse humiliation in the poor-house. The workman knows from existing competitive devices that those who have saved what another has earned, can charge himself on the labour of others ever after. The co-operative workshop is the only means by which the industrious can escape from the fruitless toil—

"Of sinking buckets into *empty* wells,  
And growing old in drawing *nothing* up."

The co-operative workshop was an early co-operative idea. Nearly seventy years ago, Henry Hetherington, the editor of the *Poor Man's Guardian*, himself a co-operator, urged the Trades Unionists of his day to establish co-operative workshops. "Do the Unionists," he asked, "wage war against property?" On the contrary, their aim is to render it more sacred. Their language to the masters

<sup>1</sup> Col. R. G. Ingersoll on Thomas Paine.

should be, "Keep what you have got. We want none of it. We will be satisfied with the legitimate fruits of our own industry. Hitherto we have worked for *you*, we shall henceforward work for *ourselves*. Our object is not to rob employers in violation of law, but to prevent them from further robbing us according to law."<sup>1</sup>

Carlyle had no doubt read these words, when he said some years later in one of his happier inspirations—"I know no better definition of the rights of man than, Thou shalt not steal; thou shalt not be stolen from." Three years after Hetherington wrote, Thomas Drummond, one of the few Irish Under Secretaries who had sympathy with the people, wrote a letter to the magistrates of Tipperary, in which, he told them, "Property had its duties as well as its rights." This was the first time this phrase was heard. The *Times* of 1837 described the letter as "Mr. Drummond's insolence." The "insolence" of 1837 is the recognized social principle of 1891. Lord Byron described the competitive character of his time in famous lines—

"The world is a bundle of hay,  
Mankind are the asses who pull;  
Each tugs it a different way,  
And the greatest of all is John Bull."

The poet does not make it clear whether John Bull is the "greatest ass" or the "greatest puller" of hay; and the discerning can make their choice. But this struggle for "hay" is the daily struggle under the competitive system. The contest would not be so bad if each had a fair snatch at the "bundle"; but it is the capitalists who have the giant bull, and do not hesitate to snatch out of the mouth of

<sup>1</sup> *Poor Man's Guardian*, No. 135. Jan. 4, 1834.

labour the little it may have got. The co-operative workshop is intended to give a fairer chance to industry.

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## CHAPTER XVII.

### CONCESSIONS OF CAPITALISM.

INNOVATORS and agitators, socialist or co-operator, should take into account that times, opinions, and customs change, and that improvement is manifest in the sentiments of employers as well as among working people. Labour makes claims it never thought of formerly, and capital makes concessions which for years it refused and resisted. The Owens, Leclaires, and Godins, once regarded as the solitary lunatics of philanthropy, have now thousands of imitators known and unknown. Consideration for the welfare of industry continually comes to light—even forms of profit-sharing in firms not recognized or not recorded.

True, the "right" of profit is still denied even by those who concede it. But if it be not right, it is wrong, and if wrong those who deny its right are wrong in acting as though it were right. All charity is a secret admission that justice has not been done to the poor, since there would be no poor were justice done to industry. There would be few idlers, and no indigent had labour proper honour and reward.

Capital in itself is a dead thing, is as unquickened seed: for until labour puts life into it, it yields no produce of profit. Who can be enthusiastic in making profits which others gather up? There is no "dignity" in that sort of labour, no more "dignity" than in the horse or the steam-



engine, which is accorded mere sustentation. The chatter of good feeling between capital and labour is illusion, or imposture, until labour shares in the profit of work. The "dignity of labour" is the pure cant of capitalism to persuade men that it is noble to work for nothing. The workman has the "dignity," the capitalist the profit. There is no real friendship, nor self-respect, nor courtesy, nor equal intercourse possible, except between equals. Labour has not yet attained equality; even in conflict

"There is no war, as everybody knows,  
Where only one side deals the blows,  
And the other has to bear them!"

Co-operators do not object to capital having a fair share of profit; what it objects to is capital taking it all. Workmen so treated are made unfriendly to employers. They know the meaning of the warning lines of Mr. Lear—

"There was a young woman in Niger,  
Went a ride on the back of a tiger;  
They returned from their ride  
With the lady inside,  
And a smile on the face of the tiger."

The poor sweated workmen of the east of London apply these lines to what they see;

"There was a workman of Whitechapel mist,  
Went out on the back of a capitalist;  
They returned from their ride  
With the workman inside,  
And content in the face of the capitalist."

This is far from true of all capitalists. But the match-girls who make 47 per cent. for the shareholders of their workshops, and do not receive enough for themselves for

their perilous and ceaseless labour to keep them out of the hospital or off the streets, may be well excused if they think themselves devoured by capital.

No one admits more readily than co-operators what they well know, that there are capitalists and employers who are noble, generous, and considerate. But the exceptions do not make the rule. Were capitalists generally to act from a sense of equity, capital would generally be esteemed for its usefulness. Capital was of good parentage originally. Economy was its father, and its mother was Thrift; but it has been depraved by the indulgence and impunity accorded to it by law, servility, and ignorance. Mark Pattison, when asked what he thought the most deplorable thing in social life, answered, it was not the misery of the people, but the melancholy submission with which it was borne. Any wholesale argument against the rich is as indefensible as foolish. Many of them have given money and time to inspire the poorer classes with zeal for their own interest. Nevertheless, capitalists as a class can exploit labour. There is no law against it, and it is only natural that a class should use its advantages. All classes not fools (unless restrained by justice or honour) do that, and innocence or generosity is not a charge often brought against interest-hunters. The Co-operator does not rail at wrong, his business is to make it impossible. If he cannot do this, he is a mere pedlar in progress, and will never do a large business in social betterment.

The increase of industrial partnerships, partly from policy, in many cases from generous sympathy with labour, and from desire to be just to it, shows that the concession of capitalism is a growing sentiment. Mr. Carnegie's *Gospel of Wealth* (though the earners of the wealth are not

thought of in it) is a splendid admission in principle, that wealth should be devoted to the public benefit. There is a good deal to be done in that way yet to produce an equilibrium in social advantages. A well-informed writer has said—"All the money given by the Church, by charity organizations, by societies, or out of the rates, and all the value of gratuitous work done by country gentlemen, philanthropists, and others, is a mere drop in the ocean compared with the sums which these same people and their relatives abstract from the poor under the various legal pretences of interest, dividends, rent, profits, and State payments of many kinds. They clean the outside of the cup and platter, but within they are full of extortion and excess."<sup>1</sup>

Co-operation alone teaches the art of attaining equality without revolution, by simply retaining earnings in the workman's own hands. The *Church Reformer*, edited by the Rev. Stewart Headlam, takes for its motto the fiery words of William Blake—

"I will not cease from mental fight,  
Nor shall my sword sleep in my hand;  
Till we have built Jerusalem  
In England's green and pleasant land."

There will be no Jerusalem in England until labour is endowed with the right of profit. Capitalists who whine (and wealth is often whining) at the injustice of public opinion can change it into grateful regard at will.

In 1888 five persons died in England owning ten millions of money among them, mostly the spoil of unrequited labour. If Christ's words be true, we know where they are

<sup>1</sup> Edward Carpenter.

gone to; for has He not said that "it is easier for a camel to get through the eye of a needle, than for a rich man to enter the Kingdom of Heaven." Let us hope these words are true. The only consolation is that the "scandalously" rich cannot take their money with them; they would, only they know it would melt where they are going to. Now if these five rapacious gold-gatherers had but half what they died possessed of, they would have been as rich as they deserved to be, while if the workmen who made the money, had had the other half, they would be as rich as they need to be. The Bishop of Manchester, in a noble speech which he lately made to the Salford Co-operators, told them that "they must make the workman a sharer of profit, and if they did that they would give him security for his position as a worker, excite his interest in the larger operations of trade, develop his intellect, increase his feeling of independence, and make him a real citizen." The Bishop discerns, as the Bishops of Durham, Bedford, and Ripon have, that the concession that would make life worth living to the industrious, would bring to wealth security and respect. Employers who recognize labour as having right of profit with capital, will save themselves from anxieties, suspicion, and distrust, and command service which will be well given then with honour and gratitude. Labour will put hatred of the capitalist out of its heart, as it will no longer have cause to hate him. The workman will no more need to cringe—no more fear poverty—no more need charity or patronage; but will be the most honest, most self-respecting, self-dependent member of society.

In the story of the pioneers of Rochdale, published in 1857, I remarked that the day would come when employers would be as proud to show their men, as they were then, to

show their machinery, all clean, ingenious and radiant. Their workpeople pallid—ill-clad, sullen, and despairing—they never exhibited to visitors. Now they are beginning to take pride in their hands—pride to see and to show prosperity in their faces ; not only well-contrived workshops, but well-contrived wholesome dwellings of their workpeople. It is proof of the fine observation of Robert Owen that he “early noticed the great attention given to dead machinery, and the neglect and disregard of the living machinery.”

Millionnaires multiply, manufacturers and others amass splendid fortunes out of unrequited labour ; all the while the workpeople have to be supported by the charity and sacrifices of others ; soup-kitchens, charities, hospitals, homes for destitute, retreats and asylums have to be provided by the sympathy and benevolence of those who have not profited by the labour of those who have become dependent. Sometimes noble-minded employers do give parks, picture-galleries and libraries to the people. To keep these facts out of sight is to be unjust, and injustice in accusation or suppression tells against progress.

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## CHAPTER XVIII.

### THE MIDDLEMAN.

THE middleman is a necessary intermediate in many cases and places, but we may have too much of him. He is like the Australian rabbit, very well for cooking purposes ; but when he multiplies, and is everywhere eating up every green thing growing in the fields of profit, he becomes a pest. Middlemanism has grown into an evil of great

magnitude. Instead of being a service it has become a profession. As I have elsewhere<sup>1</sup> asked, Why are our cities overrun with the locust race of middlemen? What gentleman, or workman, if he can help it, thinks of putting his son into the workshop? Why is the crowd of clerkship-seekers increasing? Why are our streets and clubs thronged with turf-men, hangers-on, touters, cadgers and thieves, and all the pestilential brood who seek to live on the labour of others? Because they know that work does not pay. What is the good of having learned men in the land, if they cannot secure a poor man honest reward for honest work? What is religion good for if it merely tells us that "if a man will not labour, neither shall he eat," unless it takes care that those who do labour have something to eat, and plenty of it?

Middlemanism is not such an advantage that any should desire its perpetuation. A Chinaman sees in a son or daughter one who will keep him in his old age. An English middle-class man sees in a son one whom he has to keep, and probably his family also. That is the new lot of middle-class English parents when they become old. Whoever would alter this must help to make industry profitable. As coloured Brother Gardiner, President of the Lime Kiln Club, Detroit, told the members, "If a man can get his living widout work, what is de use of working? Every meal a man gets widout working for it, only helps to make him of opinion dat hard work be only for fools who know no better. If de Lord had intended dat one half de world should work hard to support de udder half, we should hâve got de news long before dis time."

Labour being unendowed with profit nobody who can

<sup>1</sup> *Subjects of the Day*, No. 2.

help, it will look at it, and society is infested with people whose ingenuity is expended in eluding the necessity of honest industry. Thus arises the baleful figure of middleman.

It is seeing that there is no hope of competence in the workshop that all who can keep out do so, and thus society is demoralized. When an employer has to retrench, he first does it in wages. It is not his, but the workmen's families, which retrench. When work presses, the workman is fallen back upon to work more hours, often for the same wages. This prospect creates distrust of labour. How it gives rise to pernicious devices to evade it, the public well know.

A clever woman, with a certificate from the clergyman of the parish, will soon get fifty babes entrusted to her at £50 each. She farms them out at £20 each, putting £30 into her pocket by each baby, or £1500 for her year's middlewomanship. The Rev. Benjamin Waugh says that the woman who takes the fifty infants at £20 each, will farm them out again at £15, making £250 by her transaction in infant-killing. Intermedianism is held to be justified by its economy in distribution. It is not economy if efficiency or mercy is meant, but it is economy if fraud or murder is intended.

It is the same mischief under which manufacturers as well as workmen suffer, namely, the monstrous multiplication of middlemen. They are thicker upon the hills than Charlotte Brontë's curates. They swarm like locusts, to which they are kin. Mr. Illingworth has shown that most articles produced are sold at 50 and 100 per cent. increase of the price paid to the manufacturers. Mr. Clare-Sewell Read states that the cost of the distribution of

market-gardeners' produce is from 400 to upward of 700 per cent. A small grower near a Yorkshire town took his crop of herbs to market, for which salesmen offered him 5s., which was less than would cover the hire of horse and cart and loss of time. In disgust he tipped up the load of herbs and left them in the market-place. The dealers picked them up and sold them at 25s. All they had offered him for the lot was 5s. The manufacturers of cloth will be put to £3000 expense to make patterns to submit to the caprice of the merchant, when £500 would be sufficient if he could reach the consumer himself.

Middlemanism is waste of money, waste of power, and demoralization of industry—a nursery of fraud and imposture. But mere Socialism would continue it. Under Co-operation it is limited and changed into a limited and indispensable servant of commerce.

The middleman is properly a purveyor and distributor of produce, and when under the control of the consumer, is an economical agent. Co-operation puts him under that control.

When the middleman is independent, he is an agent for himself and a costly tax upon the consumer, who is ever after at the mercy of the middleman, whose function is business, not excellence, not honesty.

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## CHAPTER XIX.

## STATE HELP COMPARED WITH SELF-HELP.

SOCIALISM claims to be the one remedy for all things, and its advocates belittle and decry Co-operation as petty, crawling and superfluous, in the presence of their nobler aims and grander march. Capitalists scream against it, not because it has no reasons to give for itself, or has dangerous aims—the scream of capital is in most cases lest it should lose its own hold on the earnings of labour, and the screech is one of policy, merely intended to divert attention from its proceedings. Journalists who should be connoisseurs in alarms and detect this, join in the outcry. There is always the Red Riding Hood state of mind about, which sees a wolf in every new thing which moves.

Socialism as a remedy has much to recommend it; but there is nothing in it to render co-operation unnecessary. Socialism at its best does not aim at the same end. It may improve society, but does not attempt to change “the system,” which is a war of social interests. Both schemes of reform seek public improvement. But because the aims of the Socialists and the aim of the Co-operators are the same, it is not to be concluded that their principle or policy is the same. An aim is not the same as a principle or a policy. All honest men aim to do good to their fellow-men. Socialists aim at that as well as co-operators, but the socialist principle is entirely different from that of the co-operator. The policy of socialism is to equalize the means of competition, while the co-operator’s policy is to supersede competition as far as possible. Their principles

and policy are essentially distinct, and while it is wise to give a fair hearing to socialistic ideas, it is not necessary to be confused by them.

The original aim and continuous policy of Co-operation is communism, which, as the reader has seen, means a self-supporting society distinguished by common labour, common property, and common means of intelligence and education; whereas Socialism conserves class distinctions, class privileges, and class war. It would mitigate these evils but not supersede them.

Socialism on a wider scale and less practical purpose than Owen conceived, has found scientific advocates in this generation. Owen's idea was that the State should find means of establishing independent Cities of Industry, which should be self-supporting and repaying, as regards the advances made for their formation. He did not attempt to convert the State into a Community. His object was to ensure the formation of a new character in the people, and industrial arrangements which should ensure it. He might look forward to some Federation of Communities one day; but the State organization, government and control of them, which is the idea of modern Socialism, was not Owen's in their sense. State inspiration and local management was substantially the Owen idea.

There is no honest or worthy thing Socialism or Anarchism seeks, which Co-operation does not seek also. The difference is in method. Co-operation works by reason, and does not employ any other force, in any country where reason is allowed free expression, and honest self-help is possible.

Mr. Ruskin, in his Introduction to Sellar's little book, asks, "Who are the true 'Makers of War'?" The promoters and supporters of it I showed long since in *Unto the Last*.

It is entirely capitalists' wealth which supports unjust wars. But I will let the reader hear, and from authority he will less doubt than mine." He then cites the following remarkable passage from the Paris correspondent of the *Times*—

"Financiers are the mischievous feudalism of the nineteenth century. A handful of men have invented distant seductive loans, have introduced national debts in countries happily ignorant of them, have advanced money to unsophisticated Powers on ruinous terms, and then, by appealing to small investors all over the world, got rid of the bonds. Furthermore, with the difference between the advances and the sale of bonds, they caused a fall in the securities which they had issued, and having sold at 80 bought back at 10, taking advantage of the public panic. Again, with the money thus obtained, they bought up consciences where consciences were marketable, and under the pretence of providing the country thus traded upon with new means of communication, they passed money into their own coffers. They have had pupils, imitators, and plagiarists; and at the present moment, under different names, the financiers rule the world, are a sore of society, and form one of the chief causes of modern crises. Unlike the Nile, wherever they pass they render the soil dry and barren. The treasures of the world flow into their cellars. They distribute favours, and are great political leaders. Princes are their chamberlains, dukes open their doors, and marquises act as their equerries when they deign to ride. These new grandees canter on their splendid Arabs along Rotten Row, the Bois de Boulogne, the Prospect, the Prater, or the Unter den Linden. The shopkeepers, and all who save money, bow low to these men, who represent their savings, which they will never again

see under any other form. ¶ Proof against sarcasms, sure of the respect of the Continental press, protecting each other with a sort of freemasonry, the financiers dictate laws, determine the fate of nations, and render the cleverest political combinations abortive. They are everywhere received and listened to, and all the Cabinets feel their influence. Governments watch them with uneasiness.”<sup>1</sup>

One remedy for this disease of wealth is that of Co-operation, which would distribute new capital as fast as it accumulates amid all who make it. Thus less and less the workers will need to borrow, and the trade of the capitalists, living on labour, will decline. If the State supplied the instruments of labour, the workman would still be dependent.

It is not clear how State Socialism is going to check the malevolent operation of capital; but it is clear that co-operative workshops, by retaining the profits of labour, will limit the “scandalous” accumulations which work so much mischief now.

Socialism promises to better the conditions of labour, but does not exalt it. Co-operation does. It is a mistake to suppose that because co-operators are not for State Socialism, that they are therefore indifferent to State injustice, or are supine under it. Individually, at least, the co-operator who seeks to help himself by industry and economy, does not intend that those “who do not toil, neither do they spin” shall help themselves out of his earnings. Besides, State aid is repugnant to the spirit of independence. All aid, all charity, all gifts, all hospitality is obligation which no man should willingly accept, unless from friends whom he could requite in kind, or in some form of service or regard. Protection against excessive hours of labour places no man

<sup>1</sup> Letter from Paris Correspondent of the *Times*, Jan. 30, 1885.

under obligation. The State is under obligation to do it, since men and women are as children in the hands of capitalists, and until law favours distribution of wealth as it now favours its accumulation by the rich, the co-operator is entitled to reasonable protection from the State if he needs it.

State Socialism as a system is far off. In the meantime self-helping efforts are near at hand. There is truth in Herbert Spencer's apprehension that State control may prove a tyranny exacting and repressive. There must be within it the elements of personal dominion, seeing that its advocates belong mostly to the masterful political party in the state. There are Tory democrats as well as Liberal democrats. State Socialism will require trial before it can be trusted. All organization is coercion, and when it is irremediable is despotism. It is therefore only to be tolerated for its results. However, before that form which is to bear the name of "State Socialism" is declared a greater evil than already exists, we have to consider whether the unlimited and unregulated powers of capital are not already centres of pitiless despotism, under which those without means have no redress. In the meantime it is admitted that co-operative self-help is a democratic power for good, and it will continue its course. What it asks is not that the State shall aid it, but that the State shall not hinder it. Its demand that profit-sharing shall prevail wherever industry is concerned, will give the people the means of providing for themselves. They are taunted now<sup>1</sup> that Free Libraries are only "Mudies for the million—agencies whereby one class is enabled at the expense of another to read 'Ouida' and 'Miss Braddon.'" But what about that

<sup>1</sup> *Times*, Jan. 26, 1891.

other class which is enabled to build splendid mansions, fill them with costly libraries, and enjoy opulent incomes at the expense of the class that labours. The people would want neither "Free Libraries" nor "Free Hospitals" if they had their share of the wealth they create. They could then provide these things for themselves, as co-operative societies have done. Much more is written than is necessary about "the weakening of the fibre of character" when anything is done for the people, or given to the people. We have an aristocracy which has always lived upon pensions, or the produce of rents which they never earned—how about their "fibre of character"? Neither the new rich nor the old rich owe their ostentation to their own personal exertions. They would not be unreasonably rich if they had nothing but what they earned themselves. Ask the Charity Commissioners how many schools, intended for the poor, the middle class have seized. Have these weakened their "fibre of character"? The co-operator is quite willing to take care of himself, but if he is taxed to pay for town improvements, while landlords gather into their hands all the increment of value which industry has created, self-help has not a fair chance. To demand that wealth should take its predatory hands out of the co-operator's pocket is not asking for State help, but for State honesty.

Though Co-operation does not meddle with politics, politics sometimes meddles with Co-operation. What is the use of promoting Stores, what is the incentive to thrift, what is the reward of economy, if the Crown may make wars without the knowledge or consent of our representatives in Parliament, and sweep away, by the secret act of an hour, all the savings of a poor man's lifetime?

It is labour being imprisoned in the cage of wages that has inclined its ear to the sirens of "State Socialism." Ferdinand Lassalle, Karl Marx, and Lord Beaconsfield—three Jewish leaders whose passion has been ascendancy, and whose policy has been politics—have all sung, in varying tunes, the same song. Lassalle cried aloud to German workmen: "Put no trust in thrift. The cruel brazen law of wages makes individual exertion unavailing. Look to State help." Marx exclaimed, "Despise the dwarfish redress the slaves of capital can win." Disraeli sent the Young England party to offer patrician sympathy, maypoles and charity. Auguste Comte proposed confidence and a plentiful trencher. The Emperor Napoleon told French artisans that "Industry was a machine working without a regulator, totally unconcerned about its moving power, crushing beneath its wheels both men and matter." These panaceas were all known by one sign—Paternal Despotism. These performers all played one tune on their old barrel-organ. "Abjure politics, party, and self-effort, and the mill of the State, which we shall turn, will grind you benevolently in a way of its own." State Socialism means the promise of a dinner, and a bullet when you clamour for it. If it ever meant anything better, it never gave anything else. Socialism is to be respected for its aims, and may be trusted to do indirect good; but it has no pretensions which render Co-operation unnecessary.

Self-help goes a long way if fairly carried out. Co-operators accept the advice to do it. It is their intent, their policy, their method of procedure. They help themselves by honesty and industry. Let other classes do the same in the same way, and give up the advantages the State has given them. Then there will be improvement

all round. There will be neither pride, nor crime, nor want, and the State will have nobody squealing for its aid.

## CHAPTER XX.

### TRADE UNIONISM AS A REMEDY.

THE question will arise in the mind of readers of this statement of the Co-operative movement—how does it stand in relation to other movements which occupy public attention? What is the position, attitude, or pretension of Co-operation in relation to them? For instance, is there antagonism between Trade Unionism and Co-operation?

There should always be a good understanding between Co-operators and Trade Unionists. They both belong to the same order of industry, and both have the same object—the increase of the wages of industry; but Co-operation has a different and completer way of accomplishing that end.

The primary object of Trade Unions, the defence of trade interests, has been hampered and sometimes lost sight of by these unions, having benefit and burial societies connected with them; which have necessarily prevented any clear, systematic policy being pursued. Even the fund held for the sustentation of men under strike is hampered by a condition that it is not to be used for any object, save in that form in which it may be lost—namely, in strikes. If an opening occurred for setting up a co-operative workshop, in which the men on strike could be employed, and the money earned by them be saved, the union is not able to take advantage of it. Some day a portion of the funds may be



made available for the co-operative workshop form of self-defence. It is a poor spirit which represents the money spent in strikes as being wholly wasted. Sometimes assistance procures an increase of wages, or prevents their being reduced. If the union fails in these objects, it is a great thing to manifest and sustain a spirit of independence in the men. It redeems them from the contempt with which they would be regarded if they neither resent unfairness, nor provide themselves with the power of sustained resistance. The willingness of unionists to accept arbitration enables them to avoid in many cases loss of money. In Australia, where great strikes have occurred, and where the men have quick intelligence, a strong conviction has grown up that co-operative workshops will be their most economical and most effective form of trade self-defence. We shall yet hear of Co-operative Trade Unionism. In Australia "blacklegs" are not so easily brought into the field to compete to supplant honest workmen. Men of capital there seem disposed to listen to arguments of equity, instead of spending money which a little reason and fair feeling would avoid. Waste of money is quite as common with capitalists as with workmen. Both sides begin to see that strikes and lock-outs resemble the Japanese duel, in which each combatant is obliged to put himself to death with his own hand.

But because Trade Unionism does not do all it might, it is no reason why it should cease to do what it can. In our over-crowded cities the capitalist is master. The employer has for his agents Hunger and Death, in reducing wages. The workman has only combination for protection. To call upon him to give up this is fatuity.

To force upon railway workmen long hours of labour,

detrimental to their health and to the public safety, Scottish railway directors wasted last year more money than would have endowed all the men with moderate annuities. The records of Trade Unions are their vindication as far as they go; but Co-operation goes farther and means more. Trade Union policy accepts the mastership of employers, and the permanent dependency of workmen, while Co-operation seeks to supersede employers, and establish the independence of labour. When in America I passed by a melancholy mountain known as "Starvation Point," up which the Iroquois Indians drove their Illinois rivals and surrounded the base, while the Illinois tribe above were all starved to death. In Spring Valley, near this spot, capitalists recently opened mines, and invited settlers by offer of good wages. Miners flocked there, bought lots of the company, and built houses. A township of some thousands arose. For a workman to leave meant the loss of his house, which he could neither let nor sell. If the men struck, their employers could confiscate their dwellings. Then the wages were suddenly reduced. The men did strike. They tried to get employment at the nearest mines. All the owners were in the capitalist ring, and no work could be had. The whole town was starved into submission, as completely and pitilessly as the Indians on the mountain. The miners had been lured into a trap. Law gave the capitalist this power—there was no law to deliver the workers. Those who said this was infamous, were accused by the capitalists of setting class against class. All the while it was the class of the rich who set themselves against the class of the poor. In England, in Scotland, in Ireland this is done; but here those who do it deny it, as though they were ashamed to own it. But in America capitalist

employers are more candid. They confess it, and claim credit for being "smart" men of business for doing it. Had these trepanned miners formed a co-operative syndicate they had been free of the capitalist conspiracy, from which Trade Unionism could not defend them.

Union journalism has been intermittent, but it makes notable way. A few years ago a costly attempt was made to establish a great Labour Journal in England. It was a project of Mr. Thorndyke Rice, proprietor of the *North American Review*. The journal appeared under the title of the *Pioneer*. It was the largest and best written trade paper that has appeared in England. After a time it ceased, Trade Unionists not being alive to their interests as they are now. The *Pioneer* cost Mr. Thorndyke Rice £5000. Mr. Michael Davitt has established a paper even larger than the *Pioneer*, under the title of the *Labour World*. Mr. Davitt is not only the friend of the workshop, he is the friend of the men in it. He has the reputation not only of an honest writer, but as well knowing what he is writing about. In his day Mr. Davitt has assailed great evils, and the evils he assails are real. He has experienced discernment, and seldom makes a mistake. Those opposed to the views he takes, admit that he has great capacity and great integrity. He has that personal authority which is only won by public service and tried sagacity. On any question of the rights and interests of labour, Mr. Davitt's opinion is not only worth knowing—it is necessary to know it. For some time the Rev. H. Solly, always an active friend of working-people and devisor of institutions to serve them, endeavoured to set up a Trade Journal. Mr. Thorold Rogers, Mr. Sidney Buxton, M.P., Mr. Sonnenschein, and others, I being one, joined in attesting the need of it. Mr.

Davitt's *Labour World* has a greater chance. There is no name in the world of labour likely to interest so many workmen. No other industrial name has the same prestige of the prison through steadfastness to principle—no other person has the repute of founding an organization so remarkable and historic as the Land League. Better than all Mr. Davitt represents industrial principles, which go further than wages. Co-operators have interest in seeing new organs of labour arise friendly to their cause.

Co-operators, who were early friends of Trade Unions, may claim a concordat with them. In the days of the Dorchester labourers, Robert Owen led the great procession of unions in London to Downing Street, to claim the release of the labourers. To-day many unionists demand an Eight Hours Bill. On Nov. 25th, 1838, a meeting was held in the Prince's Tavern, Princess St., Manchester, which appointed a Committee, of which Robert Owen was one, to procure an Eight Hours Bill. The resolutions then passed would be instructive to-day.

The *Women's Trade Union Journal* of London lately<sup>1</sup> gave a list of fifty-three Acts of Parliament passed between 1868 and 1888 for the aid and defence of working-men, all of which they could have done without, had they been gentlemen, or had the means of gentlemen. Not having such good fortune, they imitate their betters, and demand the protection of Parliament. The capitalistic mind deplores this. Earl Wemyss, who is not without regard for the industrious, weeps over it.

Co-operation has nothing to say against it, co-operators work by self-help, but are not opposed to any form of help which gentlemen have recourse to. The law protects

<sup>1</sup> Oct. 15th, 1890.

women and minors, capitalism reduces men to the condition of minors, and they are entitled to protection against it. A man by good exertion can climb up the front of a house. It is better to use a ladder. A man may swim across a wide river, but it is better to take a boat. The rich take the ladder and the boat. Why should not the poor man do it, if he can? Co-operation in the meantime employs the self-help which never fails the resolute; but he is not "bigotted" where a supplementary and approved way is open. He is for self-help; but he is aware that the cant of self-help may be very brutal, when it calls upon helpless men to do things impossible to them, and disregards the aid which the strong and wealthy use and can command at will. That Trade Unionism is a lesser remedy than Co-operation is seen in this—that Trade Union policy accepts the master-ship of employers and the permanent dependency of workmen, while Co-operation seeks to supersede employers, and establish the independence of labour. Besides, Trade Unions never strike against doing bad work, or being set to make articles of inferior materials; whereas Co-operation is a strike against adulteration, fraudulent material and bad workmanship. It is the meanness of cheapness which keeps wages low. Cheap things will be produced as long as they can be sold. It is by the education of the buyer alone *that false work can be stopped*. Co-operation gives this education, and Trade Unionism does not.

## CHAPTER XXI.

## EMIGRATION AS A REMEDY.

EMIGRATION is a parliamentary remedy for industrial congestion, but co-operative cities of agriculture and manufactures would effect the same relief without the loss of the best portion of the population.

It is not pleasant to any one who has pride in the efficiency of his country, pride in the stature and vigour of its men, in the health and comeliness of its women, to see the land denuded of the flower of its population, who excel in health, courage and industry; for the feeble, the timorous and the idle are not considered emigrant material, and emigrant agents, by common consent, leave them behind. They are of no use at home, and no good abroad. If emigration, like the Plague or the Fire of London, carried off diseased lives, or burnt down unhealthy tenements only, it would be an unpleasant sort of mercy. But emigration is of the nature of a foreign conscription, which selects the fighting men and leaves the kingdom so far defenceless. Thus it comes to pass that the best of the people go out. It has cost the nation a considerable sum to rear each capable man or woman. All emigration is therefore, in a financial sense, a national loss. It may be an advantage to posterity that Great Britain should rear emigrants to populate the untrodden wildernesses of the world, and be treated as the breeding-ground for unpeopled lands; but it is anything but an advantage to the tax-payer at home. If the State chooses to go into procreation as a business, and raise emigrants either as a political

policy or as an international philanthropy no longer undesigned, unrecognized and unorganized, the going forth of the people will cease to excite misgiving. So long as the nation, by its undistributed riches or recklessness, suffers a surplus population to exist, which it does not feed and dare not kill—without public pretext of violence on its part—emigration is a necessity. If a man is obliged to emigrate because he cannot get a living in Great Britain—if it be because usable land is not brought under cultivation, owing to legislative obstacles—that is a fault of the country which fails to remedy that; if it be because of excess of claimants for food over means of subsistence, that also is a fault of the country, which has not taught its population better sense. It is the first duty of a man to remain in his country so long as he can be useful to it. His country has “raised” him, it owns him, and he owes to it honour and service.

The co-operator acts on Goethe’s famous counsel, “Do the duty nearest hand,” and his duty is to exhaust the resources of his own land before deserting it. If he does go he will be the better for joining a Store before he sets out, and accumulate a little capital. If he has none he must make up his mind to “rough it,” and if it come to that, as it probably will in a new land, he “roughs” with mitigations who has a little money at command.

If a man emigrates from a spirit of adventure, it is creditable to him and to the land which has endowed him with the fire of adventure. Such a one will succeed if he has common sense and does not go out to look for fortune, as though she stood on the wayside awaiting his arrival. But if emigration be not a choice but a necessity, it bears no comparison with the advantages of home Co-operation. In

every eligible country, even in our Australian colonies, there are many cities already overcrowded with workmen in all trades carried on there. A new hand appearing there will meet with a very inhospitable reception, and be warned off by his own countrymen who have gone there before him; as he would by applying for work reduce the wages of others, just as they did at home before they went out. Indeed unionists are so terrified lest there should be too many "hands" about, that they often send word home that none are wanted when there is room for many more.

So far from emigration being a remedy in place of Co-operation, Co-operation is a remedy for emigration, in so far as it would cause a better distribution of wealth, which would to a great extent prevent emigration being a necessity; and in so far as it would occupy waste lands with industrial cities, it would absorb the surplus population of the great towns.

Even if emigration were a necessity, Co-operation is just the thing to improve it. At present it is a dreary business, and men go out in isolation. The track over the prairies of the pioneers of a new settlement is bleached with the bones of those who have perished by the way. Whereas co-operators would purchase land, erect tenements, select the settlers, who would go in groups of relations, friends or acquaintances. The voyage out would be as joyous as an excursion, and the settlement would be occupied by people who would be henceforth their own masters. There the sole factory bell would be the morning sun, and the poor-house dissolve as the mist of the night.

Undoubtedly emigration is a means of temporary redress where amelioration seems impossible. Where a sufficient number of persons can withdraw at once from a district, a



great change takes place in the condition of those left behind. The murderous tenement in which inmates were killed, as surely as though they were poisoned, on entering it, and to which the landlord did nothing while it was crowded—now it is deserted he thinks of putting it in good condition. The employer in mill, or mine, or workshop, finding hands scarce, makes things pleasanter to his people, and perhaps inquires whether the places in which they live are dangerous to their health, and in some cases of humanitarian taste, he comes to take pride in their appearance. In Buckinghamshire, where historic people live and historic mansions rear their proud heads on high, farm-hands dwell in cottages so wretched that no gentleman would keep horse or hound in them, nor would the State lodge a convict there. Some time ago in Buckinghamshire a poor lad was sent out without breakfast to drive cattle to market. He died on the road in the cold and snow, and the farmer stopped his father's wages for the half-day on which he was absent at the inquest on his son. Argument was deemed impertinent—remonstrance the insolence of outside intrusion. But no sooner were the men of Didcot and other places encouraged to emigrate,<sup>1</sup> and did disappear from the inhospitable service, than farmers discovered that labourers had value, quicker than strike or riot could teach them. If workmen have just cause of dissatisfaction with employers, and reasonable, respectful and patient representation thereof is disregarded, they should never petition, nor supplicate, nor remonstrate, nor utter a resentful word—they should go away. All the remedy lies there.

Some time ago Southerners murdered coloured people to intimidate them from going to the ballot-box<sup>2</sup> at election

<sup>1</sup> By the aid of Mr. John Bright and Mr. Samuel Morley.

times. The assassins were more powerful in headquarters than their friends for a time, and the army was not ordered to protect them. They were advised to flee into Kansas, as the Israelites did from Egypt. They needed no miracles to awaken their wits. They did not take forty years nor forty days to set out—but went, and stood not on the order of their going. Mrs. Hayes, the wife of the President in 1879, told me at the White House that that day her husband had the welcome news that the last crowd of coloured families which had arrived in Kansas, were all placed in employment. If these dark-skinned working-men had resented the murder of their fellows, had they uttered a menacing word, put on a threatening attitude, or raised a hostile hand, they would have been shot down without mercy. The original provocation given them would have been obliterated in their blood, and all the United States persuaded, and Europe too, that emancipation had failed, and had generated outrage and deadly violence. But their going away could not be construed into an assault. Disappearance is no menace. Retreat could not be prevented, as the abolition of slavery had given them that right. When they were gone, the plantations on which they worked were valueless. No white men could supply their places. The wealth of the planters was swept away, and their power destroyed without a blow, and the coloured labourer established his value without losing another life.

Voluntary and judicious emigration is good as far as it goes, but in towns a new surplus population soon succeeds the one sent away. Co-operation is a better remedy, and permanent until the living capabilities of Great Britain and Ireland are exhausted.

## CHAPTER XXII.

## MODES OF CO-OPERATION.

CO-OPERATION is as flexible as individualism, and there is no device nor improvement which an individual originates which (after requiring the discoverer) several persons might not co-operate and carry out for their own advantage. Genius is individual, not co-operative. No committees make discoveries. Originality is a gift of nature to individuals; but others can spread ideas of genius, just as criticism often improves original conceptions. Though Co-operation was not conceived by a committee, when once put into the minds of men it is found to be capable of infinite application. In his inaugural address at Glasgow Lord Rosebery remarked, "There was a scheme broached some years ago in the direction of applying Co-operation to insurance. It was broached in some letters in *Reynolds' Newspaper*, and Mr. Holyoake felt himself compelled to oppose it, but does not give the reasons for which he did so. However, he blessed the idea to this extent, that he says it is feasible and alluring, and that a comprehensive scheme of this kind of co-operative insurance would have great popularity and great success, and do a great amount of good, and make Co-operation a matter of household interest in a way not yet thought of by the great body of co-operators." I had overlooked that I had not given the reasons why I had condemned the scheme, until Lord Rosebery mentioned the omission. At the time I wrote, the reason was well known, and I did not think of future readers to whom it would be unknown and unguessable. Mr. Watkin,

the author of the project which appeared in *Reynolds' Newspaper*, advocated the opening of co-operative stores (which were set up in many places in Wales), to which he was to supply the commodities sold, and the share of profits due to each purchaser was to be remitted to the London office, as premium payments for a policy of insurance, for sustentation in sickness, or an annuity at a future date. Well-conducted co-operative stores would no doubt enable the members to secure these advantages without any payment, the profits on their purchases being appropriated to that purpose. The two objections I urged to this scheme were, that Mr. Watkin gave no guarantee of the genuineness of the articles he supplied, nor had the insurance society any funds subscribed, as Parliament requires, as security that the annuities or other claims could be met when due. I visited Mr. Watkin's residence in Bayham Street, Camden Town, and judged that the effects of himself and all the directors associated with him, would not produce £500 at an auction. I was threatened with an action for libel for urging these objections in the interest of the members of the Welsh stores. With a responsible buying society like that of the Wholesale, with sufficient guarantee of subscribed capital, and responsible directors of known judgment and integrity, the scheme might have been successful, beneficial and popular.

Co-operation has come to have uses and applications which were no more foreseen by its early advocates than the uses of steam or railways were foreseen by their discoverers. Co-operation was applied by Mr. Alsager Hill to the advantage of boardmen. Newsvendors have employed it, nurses are trying it.

There is a form of cow Co-operation, in which a few

persons form a society, subscribe to buy a cow and divide the proceeds of milk and butter between them. But if the cow contracted rheumatism, the whole committee had twitches; and if the cow died, the society expired, there being no money to buy another. This kind of disaster was in the Barrington days of Co-operation anticipated, by the formation of a society for insuring the life of cows, which prevented the discouragement to a cow society when loss occurred, as the insurance society replaced it. Many struggling societies had been saved in later days, had some insurance against accidental loss been available.

In market towns, before stores were common, a few persons would arrange a co-operative fund for buying fruit, vegetables and flowers, and keep a co-operative stall in the market-place, dividing the proceeds among the little agricultural society. There is a form of co-operation in some sheep-breeding countries, in which one or more persons supply the stock and other persons breed from them, when the sheep are equally divided between the stock-owners and the sheep-breeders.

A considerable number of stores are now applying Co-operation to farming. A few societies have applied it to coal-mining, but through errors of judgment in buying a bad mine, or in buying a good one at a bad time, when mining property was inflated, no success has yet been obtained. The capital involved has been too great to be replaced, when experience might have led to profit.

Mr. C. T. Nichols of Melbourne, Australia, has advocated the application of the co-operative principle to mining in that country. The oldest record of its use was in mining. It is curious that it should be necessary to advocate, now, that form of its application which first succeeded.●

At our Plymouth Congress (1886) Mr. W. F. Collier gave interesting accounts of the share system among fishermen in mackerel "adventures." Mr. Collier said, "This system of fishing was co-operative, for it combined the two principles of not paying wages or interest on capital. Labour and capital were equal. He called attention to the treatment of the boys. The legislature was obliged to interfere to protect the boys employed in the fisheries on the western coast, because of their cruel treatment. When the fishery commissioners came to the West of England, the trawlers said they did not need the Act, and inquiries proved that there was not a single case of cruelty against the boys. This was because the principle of Co-operation elevates the workman and protects the children employed."

Modes of dividing co-operative profits are as many and as diversified as modes of co-operative industry. In co-operative workshops, as in Thomson's Mill, the interest on capital is limited to 5 per cent. In other cases the price of capital varies where the risks are considered or imagined to warrant it. Sometimes it is  $7\frac{1}{2}$  per cent., and the capital holders come in again for further division of profit, and labour gets very little. In other cases of industrial partnerships the workers receive a fair share, but their "right" to receive it is denied; but that does not matter so much when they get it. Mr. Sedley Taylor, in his work on *Profit-Sharing* mentions a variety of modes, as Mr. Gilman does in his work on the same subject. Some persons make payments of money, some pay profits by subscribing to annuities for the men, some retain profits due to the men in the form of share capital. Mr. Richard Tangye of Birmingham lately addressed the 1300 employes.

of the Company, and announced that in case of fatal accidents, no matter whether the Company was liable or not, from £25 to £100 would be paid to the families of the deceased, and a weekly sum in case of disablement, provided the workman was a member of a provident society. Interest-bearing bonds of £50 each are given to the best workmen, and the amount paid in cash at their death. The Company contribute also £1000 for the erection of baths and wash-houses, and £1000 to the new suburban hospital."

Cassells and Company made a similar generous arrangement in the interest of their workpeople. Leclaire and Godin included the profits of workmen in the shares of the establishment. New modes of applying Co-operation occur continually. The principle, like "John Brown's Soul," is "marching on." It is not necessary here to recount all forms of its manifestation. Enough is said to indicate that Co-operation is of almost universal application.

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## CHAPTER XXIII.

### SIGNS OF A CO-OPERATOR.

THE reader who has proceeded thus far will understand what are signs of a co-operator, and will almost know him at sight. You may know one in the streets of Lancashire and Yorkshire—the men are better fed, the women better dressed, the children are healthy and plump. In the face of a co-operative workman there is more satisfaction, his face has fewer furrows of care, in discussions he is more dispassionate, knowing that there are two sides to most questions, and that the best-intentioned persons often take

the wrong side from not knowing that there is another, which they have not seen or not examined.

An early sign by which a true co-operator is known, is that of not being a seeker of dividends merely. A further sign is that he is at trouble to further honesty in business, and even make sacrifices to render the Store useful to his neighbours, and raise the poorer class, who suffer most from competitive commerce, by putting the means in their hands of helping themselves upwards both by the Store and the workshop. He who cares only for the highest dividend, regardless whether it is obtained honestly, is a mere competitor, and the co-operative principle is not in him. He who will take an inferior thing because it is a little cheaper than a good thing, encourages inferiority, sweating and fraud, and is as much a knave as though he committed the fraud himself. He who buys a thing cheap or dear without inquiring whether the men who made it participated in the advantage of its sale, is a traitor to the order of industry, if he belongs to it, or is indifferent to its welfare if he does not. A great writer, and man of observation, has described the position of distributive Co-operation, and the duty of its members as respects the productive form of it, in terms which cannot be improved.

"Co-operation," he said, "was of two kinds—the co-operative Store and the co-operative mill, Co-operation of distribution and Co-operation of production. As to the co-operative Store it was happily no longer needful to argue in its favour. When negotiations were once going on between Napoleon Bonaparte and the Austrian Government, before the Treaty of Campo Formio, the Austrian Government offered as a concession that they would acknowledge the French Republic. 'The Austrian Govern-



ment might as well offer to acknowledge the sun in heaven,' was young Bonaparte's answer. And to attempt a defence of co-operative Stores, to attempt to show that co-operative Stores might be successful and beneficial, would be like offering to acknowledge the sun in heaven. Whenever he, Mr. Goldwin Smith, went to England he made it a rule to ask with great interest and concern whether the enormous expansion of wealth which he saw on every side had *been shared by those whose labour had produced it.*"

These wise and suggestive words were spoken by Professor Goldwin Smith in the Co-operative Hall, Heckmondwike, April 6, 1874. He who is really a co-operator promotes the success of Stores, since they make possible the larger success of workshops, that pernicious accumulation of wealth in the hands of idlers and schemers may be stopped, and its future increase be diverted into the channels of honest industry. Mr. Goldwin Smith says "he found when he was at Oxford how hard it was to get any man who had inherited wealth to work and to improve his mind. As a general rule rich men did more harm than good." The co-operator would take nothing from the rich, but would take care that their wealth was not renewed by the proceeds of unrequited labour.

The co-operator accepts the Indian maxim which Mr. Naoroji recited at the Crystal Palace Festival of Labour. "For one man to do good to another is good for both. For one man to do ill to another is bad for both." As Mr. E. Vansittart Neale said on the same occasion, "Men now live to work; under Co-operation they would work to live." This is the aim and sign of the real co-operator. The principle of helpful association, which includes the good of others as well as your own, is a fixed principle in

his understanding. If a man's mind be not set against competition he will fall back into it, or he will adulterate Co-operation with it.

The Women's Trade Union Society (with its sixteen years of initiation and services, founded by Mrs. Paterson, and of late years disinterestedly promoted by Lady Dilke)—has taught self-help to hundreds of women workers, who otherwise had never learned the art of self-protection. The Secretary is a member of the Women's Co-operation Guild, whose members oft lend courage and persistence to a Store in difficulties, when the hearts of men fail them. There is a "Women's Department" in the *Co-operative News*, edited by Miss Sharp of Rugby. Children are initiated in Co-operation by story and song. The Co-operative poet is not yet much about the movement in England. In America, in Mrs. Imogene Fales' *Sociologic and Co-operative News*, he sings merrily to the little ones. The following is an example which has a moral of unity in its instruction to others also—

#### CO-OPERATION IN NATURE.

"Help one another," the snowflakes said,  
As they huddled down in their fleecy bed ;  
"One of us here would not be felt,  
One of us here would quickly melt ;  
But I'll help you, and you help me,  
And then, what a big white drift we'll see."

"Help one another," the maple spray,  
Said to his fellow leaves one day ;  
"The sun would wither me here alone.  
Long enough ere the day is gone ;  
But I'll help you, and you help me,  
And then, what a splendid shade there'll be."

"Help one another," the dew-drop cried,  
 Seeing another drop close to its side ;  
 "The warm south breeze would dry me away,  
 And I should be gone ere noon, to-day ;  
 But I'll help you, and you help me,  
 And we'll make a brook run to the sea."

"Help one another," a grain of sand,  
 Said to another grain just at hand ;  
 "The wind may carry me over the sea,  
 And then, O ! what will become of me ?  
 But come, my brother, give me your hand,  
 We'll build a mountain and there we'll stand."

And so the snowflakes grew to drifts,  
 The grains of sand to mountains,  
 The leaves became a pleasant shade,  
 The dew-drops fed the fountains.

There is also a Co-operative Aid Association besides a Labour Association, which concerns itself in ~~protecting~~ the federation of Productive Societies, that they like the Stores may cover the land. It is the sign of a leal co-operator that he takes interest in all these societies and their efforts, and aids them all he can.

No Store ever fails that pays a fair dividend, and no Store ever fails to pay a dividend whose members buy at it. It is a sign of a genuine co-operator that he supports the store. It requires as much heroism to stand by a Store in its struggling and beleaguered days, as to stand by a friend in difficulties, or defend a beleaguered fort. But the real co-operator is true to the Store, because by putting capital in the hands of members the Store becomes a stepping-stone to the workshop. It is the workshop which raises the class.

There is an important Women's Co-operative Guild, in which Mrs. Acland and Miss Llewelyn Davies take directing

interest. Its presidents are periodically chosen. Mrs. B. Jones is the President at this time. In many towns the Guild Branches are distinguished auxiliaries of the Stores. Some co-operators, like some Trade Unionists, were not enthusiastic concerning women taking part in their work; but the important help they were able to render soon became apparent, and many stores in their own interest contribute funds to the Women's Guild. It was soon found on School Boards that men taking part in the education of girls was both unfit and injurious. If a School Board composed of women only undertook the education of boys, fathers would resent it in the interest of their sons, and mothers resent the unsuitableness of men to control the education of their daughters. The prosperity of a good store depends more on the tact and influence of women than on the unaided judgment of men. Men know nothing of the economy of the household, women do; and when their enthusiasm is enlisted the success of the store is ensured. And since the co-operative workshop doubles the income of the household, women are its most discerning advocates. The Women's Guild has its rules—its separate sphere of work—and its practical devices for the co-operative education of the wives and children of members.

You know the co-operative mind by the sign that it has profit-sharing in it. Profit-sharing workshops were the beginning of Co-operation—not the Store. The co-operative workshop comes first, then the Co-operative Store—as a means of getting funds with which to establish profit-sharing, self-employment. Mere distributive Co-operation does nothing to solve the problem, or create peaceable relations between capital and labour. The Store makes wages go farther, but does not increase them. Labour is not in it.

Distributive Co-operation as a social device has all the merit assigned to it in these pages. But it does not touch the labour problem. Trades Unionism does more. It does increase wages. But the wage-receiver is still dependent on the employer's caprice or kindness. Beyond what his good-will may concede has to be extorted by strikes. The wages system is war, distrust, and mistrust. The co-operative workshop alone endows the labour with independence and security.

When George III. took interest in it, one hundred years ago, the famous society to which he subscribed lent money without interest to establish workshops, and accorded all the profits made to the workers. The Duke of Kent was like-minded. The Queen, like her father and her son, has manifested the same interest in the success of Co-operation in workshop and store. All the leaders of the movement in our day, whose names are regarded for capacity and service—Mr. E. V. Neale, Lord Ripon, Walter Morrison, Thomas Hughes, Lloyd Jones, E. O. Greening, Sedley Taylor, George Thomson, William Maxwell, are all for profit in the workshop. We are told on the other hand that "in the wholesale societies, and the corn mills, the organizations are based on the principle of the consumer being the person to be benefited."<sup>1</sup> The workman is not included. The true co-operator brings him in. He was in at the beginning, and will be in the end, and there will be no peace or honour in Co-operation until he is there.

The true co-operator has the principle of fraternity in him. If he understands his principles he has exchanged indignation for compassion towards the malevolent and the

<sup>1</sup> *What is meant by Co-operation*, by B. Jones.

opinionative. The French adopted the formula "Liberty, Equality, Fraternity," but<sup>6</sup> fraternity is the greatest, and should stand first. Without it liberty may be aggressive, and equality offensive. Fraternity of mind is therefore a sign of a co-operator. Not a foolish fraternity, which patronizes imbecility and encourages inferiority, but a self-respecting fraternity, which seeks to promote the good and the energy of improvement in others.

Co-operation implies the daily habit of considering the good of others, and therefore courtesy, deference, consideration for the interest, convenience and pleasure of others, will be more or less attributes by which he may or ought to be known. It is only by the gradual education in the Store and the Workshop that the qualities recounted appear. Practice is always harder than theory. As the Americans have observed, it takes more religion to hold a man level in a horse trade (or any other trade) than it does to make him shout at a camp-meeting. Even independence, which is nationally much boasted of, has made little way practically. A sagacious observer of men and manners remarks, "The fact that President Garfield, who had climbed so high, was of humble birth, gave rise to a feeling of extremely close sympathy in the minds of the English populace. It would hardly have been the same thing if he had been an Englishman. The Englishman prefers to give his vote for a 'gentleman,' the lower his place in the social scale the more strenuously he supports the distinctions which keep him down."<sup>1</sup>

The co-operator is one who amends in this particular. His aim is *to* live, and so to act, that when he dies he

<sup>1</sup> G. W. Smalley, *London Letters*, vol. ii. p. 340.

shall not drop into nothing, and leave no vacancy. Over his grave he hopes to deserve the epitaph—

‘Honest men you seldom meet,  
Here lies one beneath your feet.  
Let it to the world be known  
You are one who reads this stone.”

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## CHAPTER XXIV.

### THE TWO CARDINAL PRINCIPLES OF CO-OPERATION.

It may be convenient to the reader if these chapters end with a summary of the characteristics of the Co-operative Movement, and the practice which has grown out of the ~~two~~ cardinal principles on which it is founded. Though a reiteration, it may be justified by the maxim of he who surpassed Marlowe's mighty line—

“Truth can never be confirmed enough,  
Though doubts did ever sleep.”

Co-operation is a new force of industry, whose inspiration is fraternity, whose method is economy, whose principle is equity. Before the days of Co-operation, labour had no control over its own fortune or future. Trade Unions have given the workman some control over the wages of labour. It is Co-operation alone which gives him control over the profits of his work.<sup>1</sup>

<sup>1</sup> See Inaugural Address delivered by the present writer before the Nineteenth Annual Co-operative Congress, held at Carlisle, May 1887. The address being intended for the information of the outside public, its substance will further and perhaps better reach them in these pages.

The outlook of the industrial class fifty years ago was as dreary as Siberia. Food ~~was~~ scarce. The English race was lean. Even girls had an ill-favoured look—because underfed. In a few years after the repeal of the Corn Laws every million of adult persons in England weighed 12,000 tons heavier than they did before the repeal, and the young people had grown ten times comelier than they were. Then the workman was in weekly dread of further reduction in his wages. He dared not appear in his workshop in good-looking clothes (if he had them), as his master would conclude he was earning too much, and reduce his wages; just as an Irish tenant dared not improve his cabin lest his landlord should increase his rent. I know this was done in Birmingham workshops; I was there and saw it done. The employer, by finding the men work, thought them ~~under~~ obligation to him; sympathy for them was little in his way. He indeed kept the wolf from the door, but, like the wolf dog, he bit them if they turned aside. Over the whole plain of labour and trade you saw society in conflict. No arms were used, and yet men were struck down; no blood was spilt, and yet men died. Neither giant nor feudal lord were any longer there; a new tyrant reigned in their stead, more omnipresent and pitiless than they—whose name was Capital. Like his predecessors he had relenting moods, and posed as a benefactor, when

“ With one hand, he put  
A penny in the urn of poverty,  
And with the other took a shilling out.”

The right of irresponsible aggressiveness which capital still has, corrupted it like despotism, and made it insatiable,



It then (speaking of fifty years ago) held in its hands the food of the people and the means of labour. Everywhere workmen were struggling for the places of their fellows; the tradesman, the manufacturer, and the merchant were by all the arts of "business" or imposture, compassing the ruin of their rivals. This would have been thought to be social war had it not been called "competition." In a population, then, of sixteen million persons, equally invited to nature's table, one million of fortunate persons commanded all the seats, and fifteen millions stood wistfully looking on, and the waiters never came their way. All that fell to them were crumbs from the trenchers of Dives. Then the Pioneers began to wonder whether this was "the chief end of man," and the final outcome of civilization, and asked in the words of Goethe, which my early friend Ebenezer Elliot rendered for our reading—

"How like an anvil is this land!  
 And we lie on it like good metal,  
 Long hammered by a senseless hand;  
 But will such thumping make a kettle?"

The pioneers of this movement, seeing that capital governed the world, and workmen had none, bethought themselves how they might acquire it. They saw that capital was an excellent thing. A savage can catch only ten fish a day. The capitalist lends him a net and he catches 200, when the capitalist takes 190 of the fish for the use of the net. That is a good thing for the capitalist. But in due time the capitalist buys the river, when he is able to—and when it suits his purpose he does—exclude the savage from catching fish any more. That is a bad thing for the savage. The policy for the savage to pursue is

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to get capital and buy his own net, and keep all the fish he catches. This is the theory of Co-operation.

Then the question arose, how were the savages to buy nets who had no money? No avenue seemed open to any human eye whereby capital could come to workmen; no telescope could reveal it on the whole horizon of industry. The Pioneers had no funds, nor had they any credit. Money-lenders never looked in their direction. Nor could they hope for gifts. The philanthropists were scarce in the workmen's quarters. Plainly there was no help save by creating capital; and there was no method of doing this except by collecting a few shillings to buy some provisions wholesale, sell them to each other at shop prices and save the difference. To many this has seemed ridiculous humility, but it was the only form of self-help open to them, ~~and~~ honest self-help is never ridiculous. Thus was discovered the art of creating capital by those who had none.

This had been done before for the purpose of cheapness, but never for the purpose of raising a class in the social scale. So little did Ferdinand Lassalle believe in these results, that he invented State Socialism in Germany, teaching labour the lesson of despair, representing that the "brazen law of wages" bound the workman to unceasing servitude, and made self-help impossible. Undeterred, and with true English pluck, the Old Pioneers regarded rather the heroic saying of Franklin, "To be thrown on our own resources is to be cast in the very lap of Fortune." They saw that reasonable and persistent thrift was the ministering angel who can lead the humblest households from beggary to competence. With thrift they associated justice to others, and adopted the two principles of Economy and

Equity; and it was out of these two conceptions that the new wealth-making power of co-operation grew.

The Pioneers proved this when they began by saving their quarterly dividends instead of spending them, and by leaving them in the Store at interest—which further increased their amount. It was economy which led to the rule of paying for goods at the counter, thus providing ready-money for the market and giving profitable advantage there. No credit meant no booking expenses. No debt meant no risk and no loss. The late Mr. Fawcett calculated that the national change to ready-money transactions would be a gain to the people, far exceeding that of the entire remission of the National Debt. Economy is against debt—as a debtor who does not pay, or who will not pay, is a thief in disguise. Whether his intentions be good or bad, he alike cripples or ruins the Stores which trust him. He obliges you to annex the County Court to the Store—breeding incurable alienation in those who are sued, which is a loss of good-feeling as well as custom. Economy condemned underselling others; as decreasing the amount returnable to members; as unfriendly to shopkeepers—unfriendliness being contrary to the policy of Co-operation, which acts on the associative principle that goodwill is profit. It was economy which prescribed giving fair weight, fair measure, and keeping good faith with purchasers—because good faith creates confidence, and confidence brings custom, and the larger the custom the larger the gain. Many persons will tell you honesty is not a saleable article—who never bring it into the market themselves. The co-operator puts it there, and a thousand Stores prove that the unaccustomed commodity yields a good profit. The co-operator gives a pledge to the public that purchasers at the Store

shall be able to obtain just measure and the truth—as to the quality of what they buy. Thus, as far as his dealings go, the co-operator has silenced the tongue of what Lord Tennyson calls the “Giant Liar—Trade.” It was economy that formed the great wholesale buying societies of Manchester and Glasgow, which already carry between them more than six millions of ready money into the market, purchasing cheaper and with better discernment than single Stores can; and by securing pure commodities the health of families is promoted, and the pain and cost of such sickness as impure food continually occasions are prevented. It is economy which has given our working-class members a new sense of independence—not yet possessed by the middle and upper classes—the independence which pays its way: for he who is in debt is owned by others. The shoes upon the feet—the garments upon the backs of children of the indebted workman—belong to the local shoemaker, tailor, or draper. The plumpness of his buxom wife is the property of the butcher and baker, and the Shylocks of the shop might, more reasonably than the Jew of Venice, claim their pound of flesh at his hands. No man is independent who does not own his family and himself. It is well understood economy which sets apart a portion of its gain for social and commercial education—for ignorance is bad for profits. It is “The worm in the bud which feeds on the damask cheek of”—Dividends. Having given an equal vote to every member of a Store, to the stupid and the wise alike—and the stupid being generally in the majority—education becomes an economical necessity, if the directors are to run anything above a “one-horse” Store. No directors, however wise, can use their wisdom except as the intelligence of the members permits. The

greatest Stores we have might be twice as rich as they are, were the members twice as wise as they are. A sensible proverb says, "A good coat may cover a fool—but it cannot conceal him." Co-operation gives good coats, and by its educational funds takes care that they cover intelligent members. Without an intelligence fund there can be no propagandism, and propagandism is advertisement, and the only honest kind of advertisement, because it has instruction in it. It was economy that gave votes to women as well as men, because everybody knows as well in England as in America that while "the husband may boast of holding the reins, it's generally the wife who says where the waggon is going."

It was, as I ventured to explain to the Congress of Milan, economy which saved the societies from making a profession of theological or political opinion a co-operative object; not that they were indifferent to these things—very far from it, but because it would have taken too much time to agree upon a standard, and have delayed indefinitely the formation of a Store, if every member had to be converted to a given opinion before admission. Neutrality was adopted as conducive to business, as well as to good feeling. Thus they also avoided the sleepless resentments of wounded conscience and political conflict, perilous to that unity which is the abiding strength of Co-operation. As co-operators soon found that few of them were infallible, or entirely amiable, they concluded that friendly patience towards others was not only good sense, but good policy, since each might one day need forbearance himself. Errors of manner or of mind, which could not be amended by indignation, might be amended by argument or wiser example. Hatred was adjudged a profitless sentiment,

because it wasted time to gratify it, was contrary to co-economy, and paid too great a compliment to those disliked. As debts were not recoverable by a certain time, it was thought well that anti-should be terminable; and if any arose, they should with the accounts, and not carried forward to the next year.

are the fertile inspirations of economy. But the Economy are but the organization of selfishness, equity takes care of them. Equity is not the same as equality. Equality may be produced by bringing high to the level of the low, while it is the nature of co-operators to elevate the low to the eminence of the high. co-operators had the instinct of equity in their minds, hence they called themselves the "Rochdale Pioneers." The first step to equity is that each man according to his capacity shall be rewarded according to his earnings. Therefore, in the Store the customer made a partner, and given profits according to his purchases. And, as more was thought of the workshop in the Store, it was strenuously proposed, in like manner paying each person engaged in manufactory according to the wages value of his services, he, too, should have an equitable share of the profits according to his services. It is a great thing to put trade on the level of honesty; it is a far greater to put competence into the hands of honest labour, so that every working household is secured against dependence or precariousness. Co-operators are not haters of capital; they are creators of it. It may be a good thing, and it often has been, when capital hires labour: it is a better when labour hires capital; it pays it according to its risk; pays it fairly, pays it.

even generously, but pays it only once—taking care that it does not come back a second time, filching the dividend of labour, and filling the heart of industry with suspicion and despair. Equity means that for every honest man who has work in him, the door of profit-sharing shall be open—open widely, open always, open evermore—and that no man shall from necessity stumble into pauperism. His want of sense or want of thrift may rob him of repute or power, but shall never sink him so low that crime shall be justifiable, or his fate be a scandal to any one save himself. It is thus that Economy and Equity have created Co-operation. It was economy that gave it its method; it was equity which gave it its strength, its charm—that made its character, and brought it repute and respect.

Therefore Co-operation in the Store is not a philanthropy, nor a scheme of benevolence, nor a form of Utopian sentimentality, but a business which has to pay like any other honest business—and does it. Co-operation is not an emotional contrivance for enabling others to escape the responsibility of making exertions on their own behalf, but a manly device for giving honest men an equitable opportunity of helping themselves.

Mr. Courtney remarked the other day, with his familiar penetration, that it was common “to find reformers each convinced of the excellence and perfection of his own plan, and each having great distrust of the plans of others.” This is not the way of the co-operator. He knows that society has been, and is being, improved by a million agencies, and by the genius of a million minds. Co-operation merely claims to be one of the agencies, teaching the humble art of self-help and association to the great indigent class who dwell in lodgings and cottages. It is the common

mark of the quack mind to pretend that one thing will do everything. The co-operator is not of those who believe ten times more than they can prove, and who can prove ten times more than any one else can believe. Those who proselytize by persuasion alone—keep on the lines of probability. Those who propose to remake the world—as the “wilder sort” of social reformers do—must remove the human race, since the past is in the bones of all who live, and a nihilistic removal of everybody would render the reconstruction of society difficult. In these days of State Socialism it is not the interest of statesmen, or of any who influence public affairs, to discourage the increase of co-operators, who preach no doctrine of industrial despair—who do not hang on the skirts of the State—who envy no class—who counsel no war on property—who do not believe in murder as a mode of progress—as many do in well-to-do and educated circles, as well as among the ignorant and miserable.

Formerly the religion and politics of the working-people were dictated to them by employers, squires, and magistrates. Now co-operators have built halls for themselves, where they can hear the thing they will, on any day they will. No landlord nor public authority can lock the door upon them, because they own the place. No alien censor can veto the books in their libraries or the periodicals on their tables, because they have bought them, and ask no man's permission to put them there. In all the far-reaching dominions over which her Majesty, as Queen or Empress reigns, are there, or ever were, any body of working-people so independent as the co-operators, who not only own property but own themselves?

Nor will they depart from the pacific policy by which it



as been won. A few words will illustrate this. Most readers know the High-Level Bridge spanning the Tyne, at Newcastle. Between its ponderous parts, as any one may see, are spaces left for its expansion. Were all the great populations of Newcastle and Gateshead to pull with their erceest strength, they could not draw those separated parts together. Were all the mechanical force Sir William Armstrong could bring from the Elswick Works applied to the task, it could ~~only~~ break the bridge, it could never close those openings. Yet, when summer comes, the warm, diffusing, zephyr-like breezes—silent, undemonstrative, unseen, unheard—close the apertures by their all-penetrating, all-abduing, irresistible warmth. So it is with social influences. Force is no remedy there; it may break up, but it can never build up society. It can never relax the cold contraction of error, interest, and prejudice; while the geniality of reason, of wise, earnest, persistent, and informing argument, expands the iron heart of the world, so that the inspiration of justice and compassion can enter it, and sooner or later, concessions are made which denunciation and menace could ever extort.

To others as well as the Pioneers is due a last word of tribute—to the many obscure workers who gave to this cause their humble but generous services—the storekeepers without pay—the collectors without commissions—the advocates without even applause, who took the war-path in hostile days. They passed away in silence, their bones mouldering in forgotten graves, but without them Co-operation had died. They were animated by a philanthropic lunacy—the noble infirmity of the generous poor—which led them, regardless of themselves, to work in the belief that the feeblest efforts for truth and justice will one day bear fruit

for those who come after. They were of that class who are still the originators and soul of our new stores. Indigent but not ignorant, they held the principle that no prosperity was honourable which was derived from the privations of others. They were for equity and independence. As Sig. Luzzatti said at Milan, they were "the social explorers who added to the geography of Humanity." Profiting by their unquenchable zeal, we, who have followed them, have been able to put the word "Co-operation" in the mouth of the world. They had a wider view than many of us have learned to take. They had the lofty faith, that by good sense and wise association, society could create "that condition of social life in which it should be impossible for a man to be depraved or poor." They are beyond the reach of our gratitude. Our applause now can but fall on the "dull, cold ear of death," but we can do that the thought of which gladdened them while they lived—we can cease not our devotion to their cause until honest work has honest reward—until precariousness is known no more in the homes of the people—until the Shaksperian time shall come when

"Distribution shall undo excess,  
And each man have enough."

When this is done the Good Goddess of Poverty, of whom George Sand sang so eloquently in the *Countess of Rudolstadt*, will have happier worshippers than now. Poverty needs a Goddess, for it has few friends. The children of Labour praise her for her sympathy. It is time they got something better from her. Perhaps the Goddess of Poverty, like her poor devotees, has nothing to give. But George Sand, the great friend of Association, foresaw the day of her triumph. Co-operation seems more likely

to hasten it than any other industrial device, and this book cannot more fitly close than by this passionate invocation of praise and devotion, which appeals to the heart of Industry all the world over.<sup>1</sup>

"Gold-sanded paths ! and verdant heathy ground !  
Ravines by the chamois loved !  
And ye grand mountains constellation-crowned !  
Ye wandering torrents ! forest depths unproved !  
Let the Good Goddess pass,  
The Goddess of Poverty !

"Tis she inspires the poet ; she who renders  
The vagabond's flue divine ;  
Crowning his hair with dew-pearls, making shine  
The stars for him with larger, clearer splendour :—  
The Goddess of Poverty.

"She teacheth to the artisan his gear,  
To fashion brass and steel ;  
She makes the thread supple, fine as hair,  
On the old mother's and the young girl's wheel :—  
The Goddess of Poverty !

"She holds the thatch'd hut shaken by the storm,  
The torch and lamp maintains,  
She kneads the household bread, and weaveth warm  
Or cool the vestments, feeds and all sustains :—  
The Goddess of Poverty.

"She built great castles and cathedrals old ;  
She bears the sword and gun ;  
Makes wars and conquests, gathers Death's wide fold,  
Cares for the wounded, hides the vanquished one :—  
The Goddess of Poverty.

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<sup>1</sup> The translation is by Spartacus (W. J. Linton) in the *Cause of the People*, May 27th, 1848, edited by W. J. Linton and the present writer.

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"Thou art all mildness, patience, power to cope ;  
And pitying heart is thine ;  
Giving them charity, faith and hope,  
Thou link'st thy children with a love Divine,  
Goddess of Poverty.

" *Their shoulders yet shall rest from their world-load,*  
Their labour-pain made worth ;  
*Nor rich nor poor be in the coming-times*  
*When all men shall consume the fruits of earth,*  
Thou shalt not be forgotten in their hymns,  
Goddess of Poverty !

" Ere the day of the Lord shall come, torrents and woods !  
Ye mountains and ye, vales !  
Heaths with your bird and flower multitudes !  
Gold-sanded ways, o'er which no King prevails !  
Let the Good Goddess pass,  
The Goddess of Poverty ! "

"The day of the Lord" tarrieth very long, and the hearts of the people are sad. If Co-operation can hasten its coming, those who watch and wait will rejoice.